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# West Europe Report

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4 December 1984

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CVP'S DEHAENE ON PARTY, SOCIALISTS, LIBERALS

Brussels LE SOIR in French 3/4 Nov 84 p 2

[Interview with Jean-Luc Dehaene, minister of Social Affairs, by Guy Duplat, Catherine Ferrant and Luc Vandendriessche; time and location of interview not specified]

[Question] The present coalition seems really nervous, as if it were already in a pre-election situation. Let's take the example of the quarrel over rents. What do you think of the attitude of the vice prime minister, Mr Gol, who was opposed, if only to the discussion of the proposed Vanden Brande-Lienard law? Some people thought this was an antiparliamentarian attitude.

[Answer] I dare to hope that Mr Gol was carried away.

[Question] But has the problem been settled since the government summit meeting on it last Tuesday?

[Answer] Nothing has been decided. But it was evident that all the majority parties want to resolve this problem. No one is denying any more that, in terms of giving the renter a feeling of security vis-a-vis the landlord, there are a number of difficulties. Divergent views may still exist on the manner in which they must be resolved; but, as soon as everyone admits that there is a problem, there is a means of solving it.

[Question] Then the government hasn't prepared amendments?

[Answer] We have examined different solutions, and we will continue to do so. The government will pay attention to the evolution of the work in committee in the Chamber. It will adopt an attitude toward it and, if necessary, will present amendments. I am convinced that we will find a solution to this problem, as we have found solutions to so many others.

Are the Liberals Loyal?

[Question] Do you consider the liberals to be loyal partners?

[Answer] Compared to other governments I have known, this one is a government in which the parties leave it to their ministers to assume their responsibilities. In previous governments I have seen that this was impossible with the

Socialists. This is very important. That team, and the men who are part of it, have managed for 3 years to conduct a consistent policy, even though I really must say, with you, that recently I have found a certain nervousness within the parties.

[Question] Doesn't it bother you to hear the presidents of the liberal parties dealing with you as a more or less disguised socialist?

[Answer] Of course it doesn't please me. Let's be clear about this. If they mean by that that the policy I am conducting is not liberal, that does please me. But as for saying that it is socialist, the answer is no! I try to loyally defend the government's program, putting in a few of my own opinions, which are, I make no secret of it, Christian Democratic opinions. If that doesn't totally agree with liberal ideas, that's natural. There must be some reason why we are in different parties.

The CVP [Social Christian Party] Knows What it Wants!

[Question] And the CVP, what do they want? That's the eternal question in Belgian politics.

[Answer] For once the CVP is saying clearly what it wants, no one wants to believe it and everybody asks himself questions. For too long the CVP believed the crisis was just a temporary one and that it could be overcome simply by borrowing. But, if you didn't want to end up with a South American solution, you had to react. The prime minister had already announced that in May 1981, but no one followed it through at the time. The choices we have made with this government are completely accepted by the CVP. The prime minister is the total embodiment of those choices and he wants to pursue the task until the end of the legislative term without letting the edifice collapse.

[Question] Is Martens your great man, and the CVP's great man?

[Answer] No one in the CVP denies that we have tried to realize our program. The prime minister embodies that work with all the tenacity that is so indispensable. It will be up to him, with a united party behind him, to present himself to the voters.

[Question] One still wonders a lot about your personal future. Are you a future prime minister?

[Answer] We have a very good prime minister. Why make a change?

[Question] A future party president, then?

[Answer] The question doesn't arise at present.

[Question] But will it arise soon?

[Answer] It does not arise at this moment.

[Question] And Eric Van Rompuy's speeches telling off the CVP don't bother you?

[Answer] I find that he stopped talking some time ago.

[Question] So your policy is the right one and must be followed for an even longer time. Is that your opinion?

[Answer] It should be reiterated that the crisis we are going through isn't a Belgian or Flemish or Walloon crisis. It's a crisis with an international dimension. A structural crisis, not an economic cycle crisis. We will emerge from it with a quite different society than the one we knew when we went into the crisis. Whatever the political majority, it must fit itself into that context. And it must carry on the policy that has been started, because continuity is a very important element. All of our contacts with international economic and financial circles demonstrate how much importance is given to that continuity. Our policy will have to be continued beyond the next elections.

And the Socialists?

[Question] Is that possible with the Socialists?

[Answer] The question doesn't arise at present.

[Question] But you are familiar with the SP [Dutch-speaking Socialist Party] and PS [French-speaking Socialist Party] programs. Are they compatible with what you believe to be the indispensable policy to be conducted in that international context?

[Answer] I am in a government that has a program, that is conducting an action that it wants to pursue to the end. This already requires of me enough of a commitment for this legislative term.

[Question] You are a Christian Democrat. The indexation "manipulation" that the government has just brought about--doesn't it bother you? It will result in postponing social allotments for 6 months, for example, which will further hit the "little fellows."

[Answer] The impact of a jump in the index in 1984 or 1985 was so important a part of the whole body of our recovery policy that we couldn't leave the selection of a date to chance. And as it worked out, bad weather and rising dollar values were going to compromise the government's budget. That had to be prevented. All the more so because if nothing had been done with indexation of wages and allotments, alternative savings measures would have had to be taken.

[Question] But, precisely, might those other measures have been "modulated" better?

[Answer] We would have had to take complementary measures in addition to our 3-year rehabilitation plan. That was impossible.

[Question] But again, you are asking for a wage moderation effort. Whereas certain capital income, the trade unionists will say, were greatly aided by the De Clercq-Cooreman laws, for example. Is that liberal policy?



## Employers, Make an Effort!

[Answer] I don't think that's a liberal policy. We wanted to re-establish the economic position of the businesses, but also to enable them to go ahead with capital increases. It wasn't a gift to the businesses, it was the means of making them healthier. To aid employment, it is much better for businesses to be financially healthy. Since we wanted to re-establish the government funds, we had to re-establish the funds of business firms.

But we didn't just do that; we also conducted a whole employment policy which I will not go back on. I will stress only everything that was done in re-assigning working hours by varied techniques that were much more efficient than a linear reduction in working hours. Part-time work, shared jobs, career interruptions, etc., are elements in a "chosen-time revolution" that I believe will be one of the most important things this government will have introduced into social relations.

But, obviously, this requires a greater effort on the part of employers, who must introduce greater flexibility into working hours (flexibility, as you can see, doesn't go in just one direction). Employers, thanks among other things to the computer, are going to be able to reorganize their employees' working hours and make as many things with more people who, individually, will be working less.

[Question] You are putting out an appeal to the employers?

[Answer] That is what we will suggest as a basis for agreement between employers and trade unions.

[Question] Let's move on to your office as minister of Social Affairs. Dr Wynen has just announced that doctors were denouncing the agreement between doctors and insurance companies. What are you going to do?

[Answer] I find that a medical union denounced the agreement. I don't think it's anything to worry about at the present stage. Last year it was the insurance companies that denounced the agreement. There is a deadline for doing it, and then they have 2 months to sign another one.

## The Doctors' Grumbling

[Question] The doctors have explained what their reasons are.

[Answer] I don't believe the reasons mentioned are the real reasons. There are underlying reasons for denouncing the agreement. The doctors are complaining because, they say, the hospital physician bill is dragging on. But I don't believe there is any delay. Moreover, it is the chairman of the Senate committee that is studying the bill who has confirmed it. Obviously, if Dr Wynen thinks that it is because he registered his agreement on the text it has to be immediately approved by Parliament, he has a funny idea of democracy. As for reforming the system of financing the universities to arrive at better control of registrations in medicine, my National Education colleagues have assured me that they have a bill in preparation.



[Question] But there are still all the medical agreement measures of Val-Duchesse that have to be enforced.

[Answer] The problem of fiscal control of physicians, of the term of the engagement, of the compulsory patient's contribution, would have to be considered under the next medico-insurance agreement.

[Question] And what will the government do if those points of governmental agreement are not picked up in the law linking doctors with insurance companies?

[Answer] We'll see.

[Question] Are you pleading for limiting doctors' fees, since other salaries are limited?

[Answer] The negotiation will have to take into account the general context of the evolution of incomes, but I must remind you that there is already a decree fixing the moderation of income for independent workers, which is also aimed at doctors. However, it will also be necessary to take into account the financial situation of the INAMI [National Institute for Illness and Disability Insurance]. The equilibrium of social security has of course been re-established, but problems remain in the health care sector. They will have to be solved, and it is untrue to say, as the doctors are saying, that now there are no more problems.

#### Unemployment Reform

[Question] And where are you with your "great" social security reform?

[Answer] I have always said that I didn't believe in The Reform of social security, with a capital T and a capital R. And when I look at the balance sheet of all that has been done, I say to myself, "Reform is already well on the way."

[Question] But you still have plans for unemployment, for example?

[Answer] At the next Council of Ministers meeting, my colleague Michel Hansenne and I will present a bill for reform of unemployment allowances. I remind you that it will be necessary to pass a decree on the subject before the end of this year. Our reform will favor households that have to live on an unemployment allowance as their principal source of income. We'll start from an equal individual right for all. To that will be added supplements depending on the family situations of the recipients.

[Question] Will it be a financially /blank/ [in italics] operation?

[Answer] First, it will be an important simplification. We also want to introduce more social justice this way. And finally, this reform is to make it possible to save, along with reforming the illness and disability insurance, 2 and a half billion per year.

[Question] A nearly-blank operation, then. But won't this reform penalize people who live together even more, that is to say, most often women?

[Answer] A large part of those who live together, on the contrary will see their allowances increase. Certain unemployed people who have lived together for a long time, for example.

[Question] And your medical exemption bill?

[Answer] The government really must have seen that the proposal I made, even though I wasn't the petitioner in the matter, was rejected by those very people who had launched the idea in the first place.

8946

CS0: 3619/21

## DISSENSIONS WITHIN PQ DENOUNCED

Montreal LE DEVOIR in French 22 Sep 84 p 10

[Article by Gilles Lesage: "A Brutus Close to Levesque?"]

[Text] Nobody yet dares to say it publicly, but one question is haunting the political circles more and more: who, at the risk of his own career, will attempt to pierce the abscess which is festering in the PQ [Quebec Party] government on the subject of the next referendum elections?

Quebec Party government on the subject of the next referendum elections?

The more Rene Levesque delays taking drastic action, the more trenches are being dug: on the one hand, between the prime minister and his colleagues divided into three factions - the radicals, the moderates and the undecideds; on the other hand, between the president of the PQ and its implacable militants who, in the enthusiasm of the June congress, are getting carried away by the presumptuous dream of forming a majority in favor of Quebec's sovereignty, within the next 18 months.

Unwillingly, Levesque is indeed obliged to admit that opinions are strongly divided, among his ministers and deputies, concerning the famous resolution according to which "a vote for the PQ will mean a vote for the sovereignty of Quebec." Obviously, a majority of the PQ members who were elected believe that it is suicidal to go to the front with such a ball and chain on their feet. But the hardcore proponents of independence are just as determined to fight for the good cause, even if it means going down with honor and dignity. Hence the gordian knot which the president-founder refuses to cut, if he still has the taste for it or the capability.

Yet Levesque believed that he had completely put the lid on the pot which was threatening to boil over, last February by declaring that the cabinet did not want article 1 of the PQ program to be modified at the congress. By saying simply that sovereignty will be the major stakes in the next elections, this article allowed Levesque enough room to maneuver so he could meet the deadline, as in 1976 and 1981. Smelling a trap, the militants have appended a double bolt, to prevent the government from making another about face.

Contrary to his habit, president Levesque has not repudiated or scolded his disciples and impetuous flock, being content with grumbling against a blunder which will have to be reviewed along the way, he said, cryptically. From then on, the split was apparent between the radicals, led by Gilbert Paquette, Camille Laurin, Jean Garon, Denis Lazure and half a dozen others, and the moderates, with Pierre-Marc Johnson, Clement Richard, Guy Chevrette, Rodrigue Biron, constituting a weak majority, plus a few worriers who fear the explosion.

The federal campaign has given a good indication of the width of the gap which is stretching, slowly but surely, between the members of the cabinet. In general, those who follow the orthodox party line have followed the watchword of the congress and worked for the nationalist party, with well known lack of success. The majority have remained on the fence or more or less discreetly supported one or the other of the conservative candidates. There too, there have been a few strategic abstentions. The partisans of the PN [National Party] - whom we also find in large number at the PQ national council this weekend - have been hit hard by Levesque's defection and his flirtation with Mulroney, fearing even more that the referendum resolution will suffer the same fate as the one supported by the PN.

People are beginning to grumble. A supporter of the PN, the deputy from Maison-Neuve, Mrs Louise Harel, believes - she does not dare say she hopes - that Levesque will quit during the fall. She wants the members of the cabinet to stop beating about the bush and for their actions to follow their independentist beliefs. At the other extreme, the PQ deputy from Vercheres admits that Levesque must profit from his last chance, with the 16 October inaugural message at the National Assembly, to impress and put the PQ back on the track. Not only must the leadership problem be resolved, believes Jean-Pierre Charbonneau, but we must go back on the pledge to make the next elections be on sovereignty. Otherwise, little inclined toward political suicide, the young deputy retorts that the PQ will have to find itself "some other simpletons to put their name on the ballot."

A sign of the times, Levesque lets himself drift while the PQ is drawing up a campaign plan which is in keeping with its program and its mandates of last June. Rather than open up the "can of worms", the prime minister is behaving like an ostrich and encouraging his ministers not to add fuel to the controversy, while the strangely conciliatory president of the PQ accepts to live with the iron corset imposed by the party. The dissident or undecided ministers can continue to think quietly, but the watchdogs of orthodoxy are using the sacred texts of the congress to bring the deviants back to order. Anyone who carries on a sacrilegious flirtation with the changeable Mulroney will be in trouble.

Between the suicidal angelism of the hawks and the electoral realism of the doves, Levesque hesitates and equivocates. Perhaps he is thinking that once again, when the time comes, he will be able to put his head on the block and re-form the sacred union, in a grand maneuver in the style of the "Referendum" of the end of 1981? Or else he is stalling to avoid a brutal split, a head-on collision which seems inevitable from now on and which his charismatic presence alone is delaying. But for how long can he prevent the rout?

Whatever Levesque may say, the division is deeper than it appears and the storm is brewing. The debate which is continually being adjourned is not an accessory or a frivolity. The government's hesitation-waltz on the fundamental question of sovereignty covers with a thick mantle all the orientations of any importance, beginning with those of the negotiations to be undertaken with the conservative government. It is important to determine in advance up to what point the government is ready to give its chance to the new conservative runner and to "renewed" federalism.

The PQ house is divided against itself and it is not the media which are dramatizing this explosive situation. The radical contradiction will not be resolved with an analgesic. Up to now, Levesque has managed to calm everybody, but there is more and more grumbling behind his back. For the time being, the skirmishes remain polite and muffled but, what with fatigue and wear and tear, the storm could break out at any moment. The divergent cries from the heart from Harel and Charbonneau are unmistakable signs. Nobody wants to be Brutus to Levesque. But the troublesome question is haunting the ministerial corridors: who, or what group, will bell the cat and will dare break the absurd order of silence? That person will perhaps lose everything but he will be piercing a festering abscess.

8956

CSO: 3619/7

## BRIEFS

DOUBLE TAXATION AGREEMENT--Yugoslavia and Cyprus initialled today an agreement for avoiding double taxation. The initialling took place at the Ministry of Finance in Nicosia. [Text] [Nicosia Domestic Service in Greek 2000 GMT 24 Oct 84 NC]

ATHLETIC PROTOCOL WITH USSR--Cyprus and the Soviet Union have renewed in Moscow an athletic protocol which broadens bilateral athletic cooperation. The protocol, which has been renewed for the sixth time and covers the 1985-1986 period, was signed by Marat Vladimirovich Gramov, chairman of the Soviet Committee for Physical Culture and Sports, and by Kiriakos Neokleous, chairman of the Cypriot Athletic Organization. [Text] [Nicosia Domestic Service in Greek 1600 GMT 31 Oct 84 NC]

CSO: 3521/67



## GOVERNMENT LEADER MOTZFELDT OUTLINES POLICIES TO PARLIAMENT

## Oil Income Vital for 'Independence'

Godthaab GRONLANDSPOSTEN in Danish 24 Oct 84 p 7

[Text] The position the Greenland parliament takes on oil concessions will be of great importance to the country's future development toward independence, according to the head of the government. Oil could help finance the rest of the business sector. And the government leader did not conceal that taking over the production and export sector of KGH [Royal Greenland Trading Company] will be very expensive. And finally Jonathan Motzfeldt regarded the decision on the future energy supply policy as very important.

Jonathan Motzfeldt was not quite as precise in his opening speech as suggested above. But there was no doubt about what he meant when he said that the parliament's position "on the oil concession in Jameson Land is one of the most vital and important issues for our ability to help ourselves and our credibility as a separate people."

Jameson Land will probably be the central point in the whole parliamentary debate. That is also what the head of the government expects and therefore he urged Landsting members to "approach the burden of making a decision seriously and responsibly on the basis of an independent and overall evaluation of the advantages and disadvantages involved in utilizing this opportunity, which could benefit our entire society and contribute to the financing of the rest of our business sector and other important objectives."

He regarded the concession that has been negotiated as totally acceptable in comparison with other concessions and in consideration of the fact that this involves a renegotiation of rights that have already been granted.

## Investments

The takeover of the KGH production and export sector involves large expenditures for the home rule government. That is one of the reasons why there will be a 38 percent increase in treasury spending in 1985 compared with this year, corresponding to an increase of 450 million kroner.

One of the reasons for the rising expenditures in 1985 is that sizable sums have been earmarked for the development of fishing and production. However it has not yet been decided how the fishing investments will be used.

The government feels it is very important to work out the concrete development program in line with the wishes of parliament. Therefore it has been decided to listen to the debate on production and the export sector before eventually including investments in a budget proposal.

That is also the reason why it has not been possible to estimate the potential effect of the investments. But the government feels the effect of the investments will be very beneficial, because the underlying idea is to stimulate fishing and employment. There is also a hope that returns from the production and export sector will improve. In other words, the government anticipates that the deficit from this sector will not be as great as it has been when KGH was in charge.

The third major issue the parliament will deal with is future energy policy. Should it be based on oil, water or coal? Parliament must decide whether or not to construct a hydroelectric plant at Ilulissat.

#### Government Must Borrow Funds

Godthaab GRONLANDSPOSTEN in Danish 24 Oct 84 p 4

[Text] In order to get funds for the many new investments that will result from the takeover of the KGH production and export sector, the Greenland government will have to take out loans. That is what the head of the government said in his opening address to the fall session of parliament on Friday.

It was not clear from the opening speech how much money would be borrowed or whether the government would borrow it from Danish or foreign financial institutions.

However the government leader stressed the importance of utilizing borrowing opportunities with the utmost care. And in consideration of the fact that the country has a labor force of only 22,000 people who would have to pay off any loans. It is essential that self financing should have a prominent place, especially in areas that cannot be expected to contribute to rates of return and depreciation on the funds invested.

But Jonathan Motzfeldt emphasized that there is still an economic balance and that through the financing agreement with EC we have received an additional 217 million kroner. "Even so we must warn against making excessive demands on the government. The economy must be in order and that calls for some restraint," said Jonathan Motzfeldt.

## Catastrophe

The head of the government called cod fishing and salmon fishing catastrophic. He said of shrimp fishing that the oceangoing shrimp trawlers were doing all right. But he pointed out that in general the industry as a whole has big problems. "A special investment might be necessary in the near future to offset pressing economic burdens. But this would also call for new initiatives to consolidate the fishery and production sector," he said.

He also felt that cost developments could best be handled in Greenland. He pointed out that the anti-inflation agreement the government had entered into with Tom Hoyem in June 1983 had not had the desired effect. The increased responsibility for inflation in Greenland makes it necessary to set priorities that favor employment, factory profits, everyday living costs and the purchasing power of block subsidies, according to Jonathan Motzfeldt.

## Opposition Party Replies

Godthaab GRONLANDSPOSTEN in Danish 24 Oct 84 p 8

[Text] Atassut [moderate, pro-Denmark party] does not think the estimated increase of 450 million kroner in government spending is enough, said Otto Steenholdt of the Atassut Party in his comment on the government leader's opening speech.

He was thinking specifically of the production and export sector, which looks as if it will be a very expensive prestige project.

Atassut hopes that the government's investment program in fishing and production will fill in the gaps in the infrastructure and the facilities needed for production that will result from the elimination of EC subsidies.

"We deplore the fact that the government already regards these investment funds as a loan bank for covering overlooked deficits." Otto Steenholdt referred to the 20 million kroner that will already be used for other purposes.

"We agree with the head of the government that we lack investment capital but the business policy presented by the government has not exactly strengthened investment willingness. With central state control of our entire business sector, which is what this is leading up to, we do not think outside capital will find its way here. In other words, we will have to borrow," said Otto Steenholdt.

But he warned against this kind of borrowing. If we look at the Faeroes, every single inhabitant regardless of age owes around 50,000 kroner or about twice the amount of debt that exists in Denmark.

"One can live well on the basis of loans, but normally they have to be repaid. The head of the government says that there are 22,000 people who can pay off the debt, but he did not point out that profitable jobs must be created first and that has become harder and harder during the time that Siumut [socialist, radical home-rule party] has been running the country."

6578

CSO: 3613/32

## FRENCH SOCIALISM TODAY VERSUS EUROPEAN, EARLIER VARIETIES

Paris LE MONDE in French 9-16 Oct 84

[Series of articles: "The Metamorphoses of Socialism"; passages in slantlines printed in italics]

[9 Oct 84 pp 1,8]

[Text] An Investigation by the Editors of LE MONDE

Three years after Mr Mitterrand's election, the Left has seriously made its policy more flexible, taking a few liberties with both the promises it made before 1981 and the projects that were set in motion during the months that followed its victory. Elected on the basis of a platform the unrealizability of which it discovered, it gradually has modified its application, then its language, going so far as to expose itself to the reproach of betrayal, uttered by its partisans as well as its adversaries. Starting today, in a series of seven articles devoted to the metamorphoses of socialism, LE MONDE will endeavor to measure the actual extent of these revisions, to specify their nature and the reasons for them.

In the first article Thomas Ferenczi shows how the renewals of the "school quarrel" have exposed — even beyond the schools — the aging of a system of values with which the Left has for a long time identified itself. In the next two articles Alain Vernholes takes a look at the sudden changes in the economic policy, the illusions with regard to the Socialist plan on discovering real capitalism, and in the fourth article Jacques Amalric examines the evolution of foreign policy. Two explanations are then proposed: one geographic by Daniel Vernet, who analyzes the "countermodels" applied in the other countries of Europe, in particular in Spain and Sweden, and the other historic by Rene Remond, who recalls the previous Socialist experiments in France. And lastly, Pierre Drouin in conclusion wonders what socialism may be like in a time of crisis.

[Article 1 by Thomas Ferenczi: "The Myths in Question"]

On receiving a business executive at the Elysee Palace in mid-July, Mr Mitterrand, according to his visitor, stated: "In 1986 I'll choose a liberal prime minister."

Perhaps, this anticipation had some value as a prediction of the results of the parliamentary elections. Nevertheless, for his interlocutor of 1 day it was above all the confession of a conversion.

The anecdote at least represents a widespread feeling. With Mr Pierre Mauroy's departure people are saying that the Left has at last undertaken to get rid of its old myths. Sensitive to both the weight of reality and the advance of liberal ideas, they say it is resolutely jettisoning socialism, extending the turnaround already begun with the economy to all of its fields of action.

#### The Schools and Their Dogmas

Partisans of the all-encompassing state before May 1981 and still during the first year of their 7-year term, the Socialists, having tasted power, have probably discovered the virtues of private initiative. Belated planners, they have probably become aware of the advantages of the market. Irresponsible doctrinaires, they have probably learned to take into account the facts of experience.

While it is true that these metamorphoses began in 1982 with the austerity program, the symbolic act with which the government spectacularly confirmed the reversal of its policy was the abandonment of the Savary plan for the private schools in 1984. A decision all the more significant since it challenged one of the Left's most powerful dogmas, one forged in the course of a history full of sound and fury, it struck with full force the "social base" of the Left, composed, as we know, of a large proportion of teachers, and, aside from the difference of opinion properly speaking, it struck at the values that make up Socialist identity.

The "school quarrel" actually challenges all the great myths through which ap-  
partenance to the "people of the Left" endures: the guardian role of the state, the guarantor of enlightenment and equal opportunity, the affirmation of national unity and collective hope, the belief in the indefinite advance of knowledge and the expectation of a better future. The schools and the Left really have a partnership, to the point where their principles, each for itself, are being confused with one another and the faith aroused by one of them is so close to that inspired by the other that they are similarly affected when convictions waver.

So now the Socialists are invited to renounce their faith, to deny their convictions and to accept ideas, rules, in a word a morality, that are not theirs and which are even often just the opposite of them. Now emphasis is laid on the particularisms, the differences, the hierarchies, dispersion and fragmentation that are replacing uniformity and individual strategies are taking the place of mass promotions. A new elitism is dawning, one that is more concerned with competence, know-how.

#### Prerogatives of the State

This ideology is pervading the whole society. Its particular effect is to modify the role of the state, which was charged with ensuring the cohesion of the system, but which has less reason for existing now that it tolerates disparities and inequities.



Thus the settlement of the school quarrel was an opportunity for Mr Fabius' government to officially set the limits of government action.

The lengthy controversy between defenders of the public schools and partisans of the private schools, or rather between defenders of monopoly and champions of pluralism, has in fact brought to light a fundamental difference of opinion: For the former, according to an unfortunate expression used by some of them, children belong to the state; for the latter, they cannot be taken away from their parents. In finally satisfying the latter after having tried to respond to the aspirations of the former, the Left has, under the tenacious pressure of public opinion, acknowledged that the state should preserve the role of the family. This was not a slight concession.

The language Mr Chevenement is now using with reference to education bears witness to the same spirit of open-mindedness. Mr Savary's successor has in fact reminded us that education above all consists of the transmission of knowledge. Thus he has put a stop to teaching experiments — still quite rare, it is true — whose implicit philosophy was to entrust teachers with responsibilities that belong more to parents.

What actually is the function of guardian proposed for secondary school teachers by the Legrand report, the new Bible of teachers' training, if not a way for them to substitute for families by going beyond a purely "professional" relationship with students? At any rate, this is how many teachers, who scarcely want to become surrogate parents, understood it. Mr Chevenement has put a stop to this movement.

In the school domain the state's prerogatives have, therefore, been clearly limited and those of families solemnly affirmed.

The traditional view of the Left has met with defeat but, through the debate on education, ideological changes have come to light to whose aftereffect the entire Socialist policy has been subjected.

It too accompanied by aspirations for equality (teachers' "single college," a weakened reflection of the trade union demand for a "single body [of teachers]"), university reform has, more discreetly it is true, had to come to terms with this new perception of reality and, excluded by the law, the notions of selection, competition and diversification are gaining ground.

It is actually the Left's cultural models that have been challenged through the thought that is being given education. This development, which affects the overall behavior of the "agents of change," has had the now classic controversy over the respective roles of the public sector and the private sector as its privileged form of political expression. And it is over this issue that Socialist thinking, the victim of its illusions of yesteryear, has suffered its most serious shock.

Yet, despite the apparent extent of this reversal, the Left can, not without reason, exploit the fact that the transition has been neither as abrupt nor as radical as it might seem to be. After all, the Savary plan had already attempted

to establish a compromise and the 60th of candidate Francois Mitterrand's 110 proposals specified that the establishment of the celebrated "unified lay service" would be "negotiated with neither plunder nor monopoly." The doctrinal change was in progress, revealing the first contradictions.

The debate on teachers' training also brought these contradictions to light since, while the Socialists have in general encouraged innovations, they have always been a source of controversy even within the Left. So that today's revisions often prolong tendencies germinally implanted in recent ideologies.

### Spirit of Enterprise

Let us consider, for example, the vision of an economic system proposed in the 1980 "Socialist Plan." In it we find contradictory elements. Of course, the dogma of nationalizations dominates it and with it mistrust of private initiative, profit and private ventures. The text vigorously denounces "the dominant ideology," which "willingly praises risk, initiative and the responsibility of the individual business executive" and the policy of Giscard d'Estaing which "proposes to multiply the 'little capitalists,' often up to their ears in debt but participating even modestly in land-value appreciation, precious stones or bonds" (p 154). But another passage asserts that the "industrial imperative" is advanced through "recognition and encouragement of a spirit of enterprise and innovation" (p 191). And in the broad debate recently raised by many authors on the return of individualism in the face of the constraints of contemporary society, the same text assumes a position in specifying that, "far from opposing one another, the individual and the society are complementary" (p 146) and that "the restoration of collective values is inseparable from the great idea of responsibility" (p 153).

People will say that these are only deceptive explanations, directly contradicted by the facts. But there are domains in which the facts have been of real importance.

### Two Major Reforms

Decentralization, one of the regime's big projects, has been implemented. Francois Mitterrand's manifesto presenting the 110 proposals considered it to be "the focal point" of the Socialists' action against an "omnipotent, uniform and harassing state." A declaration of political tenets that would not deny the "liberals." The end of an audiovisual monopoly, written into the 1982 law in black and white despite all the reservations that accompany its application, moves in the same direction. This is an important gain.

Why were not these two major reforms pursued farther than they have been? "We made the right choice, but we have hesitated in the face of the political consequences," a high-ranking Socialist official admits. In other words we were ready to "free" the airwaves on condition that we retain control over them. The high authority's difficulties in the face of pressures from the executive do not invalidate this analysis.

The fate of decentralization will apparently depend on the same action. They are in agreement on loosening the iron grip of government agencies in Paris. But they are still hesitant about accepting all the transfers of power such an undertaking implies. Two steps forward and one step backward! The old watchword seems to be flourishing anew.

A single domain would appear to have been preserved, justice and human rights, in which in spite of all opposition Mr Badinter's action has tended to increase the citizen's "free space" against the state. Alas, now there is the extradition of three Basque separatists that is in turn producing a deviation from this policy. And harsh measures have just been announced against illegal immigration.

#### New Target

"There is doctrine and there is government reality," Mr Roland Dumas declared on 23 September during the broadcast, "The Big RTL [expansion unknown]-LE MONDE Panel." Putting it in a nutshell, accommodation is sometimes necessary.

For 3 years now, the Socialists have had to reconcile themselves to such accommodations. They have maintained that doctrine and reality are far from agreeing with one another. The sudden switches have been more or less extensive, depending on the sector: None have been spared. Tactical withdrawals, to be sure, but also occasions for serious ideological updatings.

For Mr Mitterrand, the priority objective is certainly to regain the centrist electorate. The aim is unambiguous and everything, or almost everything, clearly appears to be subordinated to this. The left union has enabled the chief of state, who never concealed his intentions, to weaken the Communist Party. Other times, other priorities. Today they have to convince the new "target" of the change in the change.

To favor this withdrawal, the Left is trying to remodel its language and rejuvenate its thinking. It is painting itself liberal and prides itself on its modernity. It may be its historic chance. However, while we cannot exclude the possibility that the French Socialists will ultimately merge into the current of European social democracy, it is hard to imagine that the great, animating myths that seem to be indispensable in France to assure the victory of the Left will disappear.

[10 Oct 84 p 36]

[Article 2 by Alain Vernholes: "The Discovery of Capitalism"]

[Text] The abandonment of the Savary private school plan has significantly illustrated the challenging of the system of values with which the Left has identified itself (LE MONDE, 9 October). However, the turning point had already been reached 2 years ago in the economic domain where, as events prove, the Socialists had to revise their doctrine.

At the end of August Mr Jacques Attali assured us that the government's economic policy had not changed. The special adviser to the president admitted that the international economic situation had led the government to modify certain measures it had adopted right at the start of its 7-year term (austerity replacing pump priming), but that basically the essence of these measures would remain, that is, the new structures that had been established: nationalization of nearly all banks and nine big industrial combines, decentralization and new powers granted workers.

The distinction drawn by Mr Attali between economic situation and structure really separates what changes daily because of the unforeseeable and the irrational (the economic situation) from what people — rulers in particular — lastingly impose on the society and the economy (the structures). Just another way of announcing that none of the essential core has been yielded and that, as soon as the heavy winds have subsided, the Socialist ship of state will be able to resume its course. Somewhat of a simple parenthetical expression.

#### Justice and Liberty

We could dispute this analysis for many reasons, particularly this one: Structures are not independent of the economic situation, as we can see with the budget proposal for 1985, which eases direct taxation of households, particularly those that are well off.

But let us stop there since the answer to the question everyone is raising as to the extent of the changes that have been produced in the thinking and actions of the French Socialists and their government calls for a quite different approach.

The important thing is obviously the vision of things the Socialists had before their accession to power and at the start of the 7-year term. Has this vision changed?

On rereading the documents that announced the Socialist plan, we find a concern — an obsession — for justice: to reduce all sorts of inequities whether they be those created by differences in income and capital or those created by culture, the government, information, labor's more or less great interest or even those that stem from geography because of the more or less great wealth of the regions.

Another fundamental concern of the Socialists: the absolute primacy extended to liberty, "a compulsive notion, a clearcut notion."\* A concern so critical that the Socialists asserted that their plan "does not offer a ready-made model for a society, but simply outlines an approach," refusing to lock people into the mechanisms "of another system." To free workers from the exploitation they are subjected to, to free consumers from the standards and prices the law of profit imposes on them, to free the government from the dictates of big capital.

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\* Introduction to "The Socialist Plan," adopted at the national convention in Alfortville in January 1980.



It is not only the market that must be freed "from the weight of companies that exercise a monopoly." [see footnote on preceding page] Generally speaking, the collective interest should take precedence over individual interests.

### Two Stumbling Blocks: Power and Production

These are the great principles, directly descended from the 19th century revolts against the excesses of a triumphant capitalism. These were the common assets of the Socialists in the opposition. But the possibility of an election victory forced them to go beyond that, forced them to become operational, that is, to make concrete proposals. And these very quickly exposed the seams and fault lines marking the two great issues against which socialism has always stumbled in France: power and production.

First, power. The notion of self-management — the ultimate goal of the "freedom route" — is well-presented and well-employed in the 1980 and 1981 documents. The power to make decisions will belong to men and women "where they live and where they work, with any kind of centralization and monolithism crushed."\* What, however, is there in common between the analyses and convictions of men like Michel Rocard and Jean-Pierre Chevenement, one of them a convinced self-management man and the other a centralizer, a state jester — in the noble sense of the word — as only Michel Debre can be one?

Then, production. Socialism has been eloquent, abundantly so, convincing as to the need for distributing the wealth in a better way. It has been cautious, inadequate with regard to production problems. No one has ever said — except in error — what socialist production would be like, how it would be performed. Men like Marx, Engels and Lenin simply said that socialism would be run "like a factory," "like the railroad" or "like the post office." Without, conversely, explaining how railroads, factories and post offices would be run.

The Chilean (1970-1973) and Portuguese (1974) experiments stumbled mainly over this obstacle. The only distinct idea — since it was the only experiment conducted — was state production. The French Left has inherited this and its burden: It has tackled the production problem through nationalizations with self-management being left for later and in any event remaining a vague notion.

It is no accident either that the Socialists have tackled the production problem in a very global way: strong growth sustained by people's needs and focused on national plant and equipment. This has permitted them to avoid overly raising the specific, concrete and troublesome aspects of production: profit, money, the banks, foreign relations (foreign trade), in short, the break with capitalism, of which they retained merely the principle.\*\*

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\* The 110 economic proposals adopted at Creteil on 24 January 1981 constituted candidate Mitterrand's platform.

\*\* "If socialism is to be self-managing, it will not create a deadlock on the break strategy or it will perish" (Socialist plan).

## Controversy over Nationalizations

The Left was deeply divided over the issue of capital, as it was over that of power. At the Council of Ministers meeting on 2 September 1981, which was held in Rambouillet and was devoted to nationalizations, Mr Michel Rocard, then minister of planning, tried to persuade them that it was madness to want to completely assume control of the industrial combines they were aiming at because that would be very costly, would not be more effective than the assumption of majority control and, lastly, the banks would lose their drive. He said it forcefully. Messrs Badinter and Cheysson shared that opinion. Mr Delors thought roughly the same thing, but offered only modest support. It was too little and the then minister of agriculture was defeated. The dispute became a major incident.

Some felt that the state was giving itself the decisive means for influencing the country's economic life, at first to accelerate growth and investments, speed up modernization, make it more certain. They felt too that France was giving itself the means for pursuing an economic policy that was more autonomous with respect to the outside world since in nationalizing we were escaping the clutches of the multinational companies. Others were much more skeptical as to the efficacy of such measures, which they did not in principle oppose but which they thought were not the appropriate responses to the issues that had been raised. They said that one does not resolve industrial problems through institutional reforms.

### Three Myths

We can see that beyond general principles — plus justice, plus liberty and the primacy of the common interest — the Socialists were far from arriving at the same analyses once they concretely tackled the problems. If the documents published before May 1981 provide a relatively homogeneous view of the Socialist plan, it is thanks to their rather general nature (a good number of issues were omitted), but also because the view expressed was the expression of a balance of power that had clearly shifted in favor of the politicians to the detriment of those whom one might call the economists, as we saw when the rather flabbergasting — by dint of their unrealizability — statistics on the Socialist Party's (PS) economic plan were published in February 1978: a growth rate of over 5 percent, an increase in purchasing power of over 6 percent, 900,000 jobs created in barely 2 years.

That is why the 1980 and 1981 documents were characterized by three myths which the exercise of power was to put to a harsh test.

1. /Economic growth is the business of the state./ This idea came from the reflections that the crisis of the 1930's had prompted the men of the resistance to indulge in. We find it throughout Europe, in France in the National Resistance Council's charter as in Norway in the joint program adopted by all parties in 1945: To never again have to go through the prewar riots, the state and the collectivity should provide themselves with the means for controlling the economy.



Mr Mitterrand has retained this conviction for fully 40 years. This was apparent when, during the televised debate of 5 May 1981, he criticized Mr Giscard d'Estaing for having allowed unemployment to rise for lack of sufficient economic activity in the country. If the state does not intervene — or not enough — if production stagnates, it is because conservative governments have really wanted it to be so, deliberately pursuing it in Malthusian policies dictated by the private sector that seek to keep wages down to withstand international competition. It is, therefore, perfectly natural that the Socialists and candidate Francois Mitterrand would promise rapid growth and a rate of 3 percent right from the first year in which they were to accede to power. This would be achieved through a distribution of supplementary revenue and the launching of major public works projects. "The money must circulate," Mr Mitterrand liked to repeat.

2. /Banks and financial circles dominate business firms; they increase their profits to the detriment of the production machinery./ This myth is solidly anchored in the minds of the French, and not only among those who vote for the Left. It is anchored in the minds of a Catholic people who have never quite resolved their relation to money, desired for the power and ease it affords and rejected for the bad conscience it engenders. Thus Mr Delors proposes that bank presidents not be permitted to earn more than a minister (35,000 francs a month). These already difficult relations have been complicated by the French Left, whose ideas were all the more influential when the Socialists were in the opposition: a Left that untiringly demands the reduction of inequities in France and aid for the Third world countries.

In the Left we, therefore, find this compulsive notion of banks living off of companies, dominating them, running them solely for their own profit on the basis of financial, not economic criteria, letting short-term considerations take wide precedence over the future, banks that maintain capitalist wastefulness. Expressions like: "big capitalism is devouring our substance," "the money masters," or even "let's free the government from the dictates of big capital," figure in Socialist analyses.

3. /The multinational companies impose their law as well as their options on France; they hold the real power./ Opening the country to the outside world and the importance of foreign trade have not been fully accepted. The idea of reducing the importance of foreign trade to national production\* and of recapturing the domestic market had been specifically advanced. Some even cherished the hope of returning to protectionism to gain better control over our economic life by sheltering ourselves from foreign follies and the imperialism of the superpowers.

The symbol of foreign interference in our affairs, the living proof of the loss of our independence were the multinational companies. They saw them everywhere, and in particular behind those institutions which, modeled after the Common Market, have set themselves the goal of liberalizing trade between countries. The principle of the international division of labor was also

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\* Foreign trade's share of the gross domestic product will be lowered to 20 percent between now and 1990 as against 22.5 percent in 1981.

suspect insofar as it benefited the trusts and monopolies — particularly the American ones — to the detriment of companies in a better position to produce goods at the lowest price (French companies, for example).

The 1980 Socialist plan revealed these fears. It contained expressions like: "the masters of the established system (...) who decide for all of us in the anonymity of the multinational companies" or even "the disembowelment of the French economy on the altar of multinational capitalism presented as a casualty of the international division of labor."

We can see that it is a pure and tough view of the situation.

[11 Oct 84 p 8]

[Article 3 by Alain Vernholes: "The Technocrats' Revenge"]

[Text] United in terms of the great principles — justice, liberty and the primacy of the common interest — before 1981 the Socialists were divided as concerns the concrete problems of power and production. However, the "politicians" in their midst won out over the "economists" (LE MONDE, 10 October). The Left's new orientations marked a reversal of the balance of power.

Once in power, the Socialists had to rapidly confront their vision with reality. And the latter shot back at them an image of the world and things that was rather different from what they imagined or pretended to imagine it to be. Their 3 years in power have been marked by three great debates that have torn apart beliefs, exposed tactics, upset strategies and finally profoundly transformed political debate.

The first debate took place in the fall of 1981. The resumption of activity in the spring was not furthered in France by the recovery that was expected in the world, in the United States in particular. Our balance of trade was very quickly upset. Mr Delors, who had himself underestimated the extent of the foreign deficit, judged the situation to have deteriorated so much that he from that time on planned to freeze wages. He demanded austerity measures, particularly as regarded the budget, but he did not obtain them. The government budget proposal, prepared for 1982 by Mr Fabius with the assent of Mr Mauroy, included an increase in public expenditures of almost 28 percent and a sharp increase in the deficit (up 25 percent). It was Chancellor Schmidt who was in October to impose the first series of budget economies on the French Government — at the cost of revaluation of the deutsche mark and devaluation of the franc.

The second debate took place between January and August 1982. Since the situation had continued to deteriorate at the end of 1981 (our prices rose much faster abroad), Messrs Mauroy and Delors cavalierly imposed a price and wage freeze along with the second devaluation of the franc in June 1982. The shock was severe. It surprised everyone. Mr Mitterrand who, like the PS, had not been consulted. It was, however, not enough since the other measures that had been anticipated did not follow. Messrs Mauroy and Delors also sent the

president a 20-page note describing the situation and the serious risks it involved: the stifling of our economy and an overly large foreign debt.

The response came gradually from the Elysee Palace: a very sharp cut in public expenditures in the 1983 budget, restriction of the public deficit to 3 per cent of the GNP, a cut in Social Security expenditures, a restriction on unemployment insurance and shelving of the reduction in the number of working hours proposal. Mrs Questiaux, the symbol of the autonomy of the social sector with respect to the financial sector, resigned from the Ministry of Solidarity as of June.

The third debate took place in March 1983. They had to go farther than the June 1982 measures since our foreign payments were showing more and more of a deficit balance and we were getting deeper and deeper into debt. The 25 March plan was announced at the same time as a new monetary readjustment went into effect. The purpose was to curb domestic demand in order to reduce imports and orient firms toward foreign markets.

Once again the shock was a rude one. The government refused to adopt protectionist measures, decided to remain tied to the European monetary system and chose to transfer — in the form of taxes, forced loans and a tax on oil — some 60 billion francs from householders' accounts to those of the state, the Social Security Agency and the big national enterprises.

A page was turned on the policy pursued in 1981. They even refused to go back to it by borrowing (in May-June) 4 billion ECU [European currency units], the equivalent of about 30 billion francs, from the EEC, a sign of the alignment of our economic policy with those of the European countries.

The course was held despite the sharp rise in unemployment that occurred at the end of 1983. And it was Mr Mitterrand who publicly supported the idea of the need for industrial reorganizations — that is, specifically, the layoffs they imposed. At the beginning of April 1984 the president commented at a press conference on a rigorous plan for withdrawing from steel production.

#### Dispelling Three Misunderstandings

In the course of these three essential debates that constituted as many decisive phases for the Socialists, the balance of power was upset. In the formidable and frenetic chain of events, of government difficulties and decisions, those who had provided the inspiration for the joint program, the Socialist plan, that is, the 110 proposals — the party's political wing — left the field open to economic thought and action. Consisting of resolving the crisis by more growth (solution from above), the proposals made by the party's Left wing were no more credible than the solutions advanced by men like Mr Pierre Uri, who proposed that everything be resolved through a complete transformation of our structure.

Pretty much deserted, the field was gradually and completely occupied by the statisticians and economists, those whose technocratic and not very imaginative vision had the advantage of coherence and a technique of analysis shared in common with foreign practices.

These "occupiers" had the virtue of avoiding an economic catastrophe, the "infarction" Mr Delors had been speaking of since the end of 1981. To do this they had to dispel the misunderstandings:

1. The idea, which was the one raised at the beginning of the 7-year term, that France could pursue an independent economic policy, lacked realism. It nevertheless survived until the start of 1983, a time when some people still imagined that France and the FRG were partners equal in power. What was proposed to Mr Francois Mitterrand at the start of last year constituted a veritable poker play: to threaten the FRG with a withdrawal by France from the SME [European Monetary System] to obtain from our neighbor a resumption of activity that would stimulate imports and, therefore, our foreign trade (as our 1981 reactivation stimulated activity across the Rhine). Mr Mauroy fought this idea tooth and nail. When, after quite a bit of hesitation, the president was convinced of the big risks the country would run by leaving the SME, the size of our economy and its power resumed more reasonable proportions.

It was then that attention was really focused on enterprise: an employer-administration report reviewed its expenses (July 1983). The March austerity plan spared it any additional taxation. In July 1984 another law governing "the development of economic initiative" followed the January 1983 law governing "the development of investments and protection of savings." The law against price and wage inflation was actively applied, largely for the sake of enterprise.

Little by little long-ignored realities have appeared on the scene: the need firms have of earning money, of being profitable, of making a profit, their capital role for the economy and employment in particular. They are forgetting the formulas employed a few years before: "Get away from the logic of profitability" (Francois Mitterrand in October 1979), "men and women sacrificed for profit" (Mr Mermaz in July 1981). The company is less and less the place where workers are exploited and more and more the cell that distributes income and creates jobs.

2. The failure to recognize financial problems as well as the concern for efficiency and the determination to reform systems judged to be ineffective and parasitic led to the plan for a national investment bank, a single bank that decides on everything, centralizes everything. The idea quickly came to nothing. It is, however, revealing as to the state of mind that prevailed during the first few months of the Socialists' exercise of power. A state of mind which in a way denied the usefulness of the market and the advantages of decentralization. Just as the idea of a moratorium in favor of companies that were too much in debt, advanced in September 1982 at Figeac by Mr Mitterrand, denied the function of banks.

Experienced in financial operations, Mr Delors criticized the banks all the more so since he was their best defender all the years he spent on the rue de Rivoli. His action had the virtue of posing the real problem — that of the importance of financial networks in economic successes — and of avoiding inappropriate moralizing solutions. They ended up realizing that the real criticism to be leveled at bankers is not that they exercise their profession (a moral reproach), but that they do it badly (a functional reproach).



3. At first regarded with distrust, the multinational companies have become potential partners. As reserved as the attitude of the French companies that had recently been nationalized toward big foreign combines was until the end of 1982, the more it has been changing since 1983-1984. The somewhat mysterious financial aspect of the situation (where does the capital come from? who controls it?) has lost its importance with respect to the industrial aspects. The multinational companies are gradually being regarded as regular partners in the game with which agreements can be reached, as ELF [Gasoline and Lubricants Company of France]-Aquitaine did with Texas Gulf in April 1982. Thomson led the way in April 1983 by concluding an agreement with the Japanese combine, JVC [expansion unknown]. The change in attitude goes farther than that, since today they regret that more alliances have not been concluded, alliances that would have avoided certain delays. Thomson is now multiplying such agreements in the field of components.

#### Future of Social Democracy

When we go back over the route Socialist thinking has taken in economic matters, we quite obviously notice that very important changes have taken place. Changes that have a bearing not only on the economic situation, that is, on what is temporary, but changes imposed by the economic situation and which affect the foundation.

We may ask ourselves whether the men who -- before 1981 -- most influenced the Left's ideology with regard to economic matters, whether these men who were politicians working above all and unqualifiedly for the conquest of power have fundamentally modified their analyses and their view of things. A real question on which will depend particularly the Left's platform for the 1986 parliamentary elections and then later the future of social democracy in France.

Right now we must say that since 1982 Mr Mitterrand has been listening more and more to those whom we had not expected him to: the economists and technicians. After having taken over the domain of economic thinking, these now occupy most of the key positions and daily impose their view of things. Certainly a conformist view, probably a reasonable and realistic one. Neither Mr Delor's departure nor Mr Rocard's isolation invalidate -- or not yet -- this essential observation.

No matter what happens during the next few months the Socialists' positive and negative experiences in the government will be of capital importance. Through the errors, renunciations, conversions and the Left's successful experiments, the whole country has opened itself to the debate on the economy and now considers it to be essential. It was high time.

[12 Oct 84 p 6]

[Article 4 by Jacques Amalric: "The Solitary Exercise of Diplomacy"]

[Text] Starting in 1982, the "technocrats" have relieved the "politicians," imposing major changes on the Left's thinking and economic actions (LE MONDE, 9, 10 and 11 October). This return to realism is also inspiring Socialist diplomacy, which more than ever continues to be the chief of state's "special domain."

What is a Socialist foreign policy? Can it, should it be fundamentally different from a diplomacy that does not claim to adhere to the traditional values of the Left? As long as they were in the opposition, the great majority of Socialists answered "yes" to these questions. But, as their arrival in the government became probable, they did so with less and less conviction, with less and less clarity.

To convince oneself of this evolution, it is enough to reread the joint government program worked out with the Communist Party in 1972, then the 110 proposals for governing issued by the PS alone in January 1981, when it was a matter of nominating Francois Mitterrand as a candidate for the presidency. The differences between the two documents are striking.

The first -- negotiated, it is true, at a time when the Vietnamese War was not yet over -- is a statement that breaks [with tradition]. In it they specifically advocate -- but the list is not exhaustive -- renunciation of the strike force, an immediate halt to nuclear tests, radical reduction of arms sales abroad, intensive invocation of the safeguard clauses within the Common Market, etc.

The tone of the 110 proposals -- which do not bear the communist imprint and which were formulated when the government at last appeared to be at the end of the tunnel -- is ascribable to a quite different mentality, still essentially in effect even if important adjustments have been made here or there.

#### Four Compelling Ideas

Four compelling ideas dominate this Socialist program as concerns foreign policy: human rights and people's rights, the search for peace and security, a new world economic order and the building of an independent Europe. Among the most significant specific proposals, let us indiscriminately cite: a demand for the withdrawal of Soviet troops from Afghanistan, reaffirmation of trade unions' right to independence in Poland, condemnation of U.S. support extended to Latin American dictatorships, a guarantee of Israel's security, Palestinians' right to a homeland, Chad's right to independence, withdrawal of Soviet SS-20 missiles in exchange for abandonment of the plan for installing American Pershing 2 missiles, the granting of priority to the North-South dialogue, reform of the world monetary system, creation of a European social space and Spain and Portugal's membership in the EEC.

It is without a doubt the policy regarding the Soviet Union which has been pursued and applied by Mr Mitterrand that has been the most consistent. For the president, the great Socialist aspiration for peace must not degenerate into pacifism, rather, while waiting for the hypothetical great day of worldwide disarmament, it must be based on a strict security policy.

Is this socialism? We can go on arguing about it forever at conferences and congresses, comparing this option with the choice of Swedish-style neutrality. Nevertheless, this approach was clearly affirmed several months before May 1981 and it would be wrong to reproach the chief of state on this account, for having engaged in an insidious deviation, a breach of contract. At the very



most we may point to a contradiction between the 110 proposals and their practical application, which is being claimed with regard to the denuclearization of sensitive areas: During his trip to Scandinavia last June the president expressed his most explicit reservations with regard to the plan for the denuclearization of the Baltic area, which has been stubbornly defended by Socialist Olof Palme.

### Anchoring in the West

This anchoring of France in the Western world seemed to be all the more indispensable to the president inasmuch as he claimed to represent a kind of democratic socialism that has nothing to do with the aberrations of what is referred to as "real socialism" in Moscow. Are not hereditary diseases the ones that are most frightening, if not being the hardest to combat? The presence of Communist ministers in the government, on the other hand, made it all the more necessary to break with being accommodating to the USSR, for which Mr Giscard d'Estaing had been so severely criticized, and with the facile exploitation of a still enduring anti-Americanism.

A corollary to this fundamental option: a commitment to Europe, and quickly too, and reaffirmation of the importance of the Franco-German "couple." From this point of view the speech delivered in Bonn before the Bundestag on 20 January 1983 will remain a symbol, since in it we see the number-one French Socialist contribute his support to conservative Chancellor Kohl on the Euro-missile issue and to a certain extent break with the affiliated Social Democratic Party (SPD), tempted by the pacifist sirens.

If we want to at any price expose a great "betrayal" of socialism, that is where we have to look for it. We will only, however, find it at the price of a feat of historical legerdemain which would amount to confusing January 1983 and August 1914, the compliant pacifism of modern times and that of Jaures, who, moreover, failed. And it would amount to ignoring the real revolution constituted by the appearance of nuclear weapons and the concept of deterrence. We may, on the other hand, ask ourselves whether the Franco-German reconciliation, pursued by Mr Mitterrand with more ardor than his predecessors, is not ascribable to a better socialism. Did not the recent ceremony at Verdun in a way constitute a tribute to Jaures?

The international economic crisis, which had been considerably underestimated by most Socialist leaders before May 1981, but also during the first 18 months of their term in the government, has paradoxically tightened Franco-German cooperation by forcing Paris to softpedal its demand for the creation of a European social space and to change its policy. Betrayal here again? More like realism, since it is true that a country alone scarcely has the means for imposing its point of view on nine others and that the process of building one Europe will in the end be a very long-drawn-out affair. To have some chance of succeeding, it must be spared any national-protectionist reaction. Hence, moreover, the conditions finally imposed on the entry of Spain, even a socialist Spain, into the EEC.

## An Amended Third-World Policy

Another, perhaps more serious consequence of the worldwide economic crisis, as far as ideology is concerned: suppression of the grand Third World speeches of the beginning of the 7-year term. The topic, of course, comes up again from time to time, but they have evidently lost faith in it and at the same time the financial means. French-speaking Africa has implacably again become the priority it was under the preceding "bourgeois" presidencies. Yesterday still regarded — but no doubt a bit too quickly — as a monolithic, coherent whole, the Third World no longer constitutes anything but a reference point as ritual as it is occasional. Proposed yesterday by some people as an alternative solution to the East-West confrontation, the Mexico City-Algiers-New Delhi axis now only figures as a dotted line on the map of Socialist illusions and a conference like the one that just brought Europeans and Latin Americans together in Costa Rica is evidently more ascribable to a pious wish and incantation than to diplomacy.

It was because he did not — or did not want to — understand this limitation of French ambitions that Jean-Pierre Cot was not dissuaded from leaving the government. And with him the plan for a big Third World ministry and all-out cooperation has disappeared into thin air. With Christian Nucci the good old foreign aid ministry of yesteryear, especially charged with administering traditional African affairs without making waves has returned to the agenda and practical application. In the end everything has turned out as if the president — since only he is involved — had decided to no longer let go of his African prey for the shadow of a mythical Third World.

This "amendment" of the Socialist plan was, moreover, not made without getting snagged on the doctrine of human rights: If the dictator, Sekou Toure, had not had his days cut short due to illness, it is likely that his crimes would still be transparent for Paris, as vigilant as it may be with regard to those of a Pinochet or a Chernenko. To convince oneself of this, one has merely to note with what pomp or what favor a man like Omar Bongo has just been received in the capital. We may also remind ourselves of a "strictly private" trip of the president of Morocco — a trip that was unfortunately followed a few hours later by the deaths of two hunger strikers (political) who, we have since been assured, did not even have as their objective settlement of the Chadian affair.

### Inability to Explain Itself

The adjustments that have been made on these issues in the political line that had been defined before or was confirmed immediately after May 1981 may seem to activist Socialists all the more like repudiations since, instead of explaining itself on its new options, the government, all evidence to the contrary notwithstanding, claims that it has remained faithful to all of its past commitments. Yet, it is not as though it lacked arguments if it were to decide to clarify its position. In some cases, moreover, it has done so and is not any the worse off for having done so. To refresh the reader's memory, let us cite the withdrawal of the French intermediary force from Beirut and the decision to intervene in Chad. These were, however, exceptions. Especially if we bear in mind the recent extradition of three members of the ETA [Basque Fatherland and Liberty Group], a particularly significant example of this malfunctioning.

Why did they so stubbornly deny that a serious error of analysis had been committed in connection with this case in identifying it with the right of asylum and sanctuary? Why did they wait so long before explaining that the privilege of the right of asylum has in France always been traditionally subject to the softpedaling of all political activity? To say nothing, of course, of military or criminal actions, as you like. This was the rule that was imposed, for example, on the Spanish Republican refugees in Franco's time. This is the rule that Imam Khomeyni was on many occasions reminded of when he was residing at Neauphle-le-Chateau and Bani Sadr too after he broke off with the Islamic regime in Teheran.

Paris' duty in this ETA affair was simply to see to it that Spanish Basque refugees on French soil did not cross the border to kill. If we accept this assertion — and we do not see why a Socialist would reject it — we must note that the practice of serving them with summonses at home or expulsions to a third country completely failed, the parties in question resuming their activities after a few weeks of interruption. Therefore, a single alternative solution was open to the French Government: to place these partisans of the worst policy in carefully watched homes. But in the name of what principle of law since the crimes they are alleged to be the perpetrators of were not committed in France?

Is not the government to blame quite simply for not having disclosed its dilemma soon enough and for not having announced that it had finally resolved it? But does not this reticence to explain lie in the way power was exercised in the Fifth Republic? In lending presidential institutions the enormous "hand" of the special domain, General de Gaulle introduced a kind of monarchism into political customs. Georges Pompidou did not reexamine what had become a habit, even less so Giscard d'Estaing. Furthermore, the preamble to the 110 Socialist proposals rightly denounced the solitary exercise of power in the following terms: "The current president monopolizes everything, meddles in everything only to make the least little thing an instrument of his power (...). We are witness to the slow corruption of the principles of the republic."

Due allowance being made, are we not witness to a development comparable to the one that was denounced only yesterday? And lastly, is it not true that we must look for the most serious infringements of the principles of socialism which the government lays claim to in this strictly personal exercise of power — in which any accommodation of a policy risks being interpreted as a repudiation? Much more so than in the abandonment of what Regis Debray called "Lamartine diplomacy (...) erratic (...) which is to power diplomacy what poetry is to prose since in it the form is its own goal"?

[13 Oct 84 p 8]

[Article 5 by Daniel Vernet: "Countermodels of the North and the South"]

[Text] Tested by power, the Socialists have been led to question some of the ideas on which their original platform was based, specifically in the domains of education, the economy and diplomacy (LE MONDE, 9, 10, 11 and 12 October). In doing so they have merely followed the example of most of the European social.

democratic parties, which have for a more or less long time now rejected the traditional dogmas of the Left.

"Modernization": Mr Felipe Gonzalez can claim to have used the key word of Mr Fabius' policy for the first time, if he did not coin it. It was with this slogan that he led the Spanish Socialist Workers Party (PSOE) to an election victory in October 1982. The second head of the Fifth Republic's Socialist government is, therefore, not inaugurating a new chapter in the doctrine or policy of the Left, even if Mr Fabius does not get his models from Madrid.

As in Greece, the "Mitterrand effect," about which there has been much talk in Europe since 1981, has also operated in Spain, but the other way round. For the new wave Spanish Socialists, who once upon a time held their congress in France but quenched their thirst at the springs of German social democracy, the "Mitterrand effect" represented rather an example not to be followed and France a catalogue of errors to be avoided.

Their perception of the Mauroy government's difficulties and of the change of course in the summer of 1982 does not in itself explain the caution of Mr Gonzalez and his friends. Without a doubt it was easier for the PSOE to present a moderate platform than it was for the French Socialists, not very well recovered from a long siege in the opposition, condemned to come to terms with the Communists and moved by a 1948 romanticism. For the PSOE the break with the Marxist vulgate had taken place as of the start of the 1970's.

At the other end of Europe, in Sweden, the situation was largely comparable in that fall of 1982: Mr Olof Palme's Social Democrats had returned to power after an absence of 6 years without having made any staggering promises. Forty years of participation in the government had taught them the exigencies of the exercise of power. They even had the modesty to be very discreet with reference to the founding myths of the "Swedish model" which, while no longer Marxist, nonetheless convey a good dose of utopia. It is true that the triumphant "bourgeois" had not had the effrontery to tackle the bases of this "model."

The line of cleavage in the social democratic movement does not run — as people abstractly believe — between Southern Europe and Northern Europe, between socialism and social democracy, between the legacy of Guesde and that of Jaures, to resume a debate that is dear to the French PS. This distinction between the two descendants of the Second International is largely theoretical, in both senses of the word.

The criteria can, of course, be defined, for example, the collective appropriation of the means of production, so-called nationalization or "structural reforms," and the attitude toward the communist parties. Within the Socialist International, renewed after the Epinay congress, the PS had somewhat of a tendency to make use of the opportunity to cast doubt on the socialist loyalty of the brother parties to the great displeasure of the latter. More than a doctrinal difference, quite often it is a distinction determined by the historical conditions in which the worker movements have developed. Theoretical dogmatism, moreover, is perfectly suited to a "reformist," indeed openly



"rightist" practice; the case of the SFIO (French Section of the Workers International (French Socialist Party)) after the war bears eloquent testimony to this.

### The Facts Are Stubborn

Limiting ourselves to the last few years, it is no doubt more interesting to determine whether the break with the great myths of the European Left took place before or after the accession to power, whether it was a prerequisite to the election victory or whether it happened under the pressure of necessity because Socialist dogma ran up against the "stubborn facts."

Thus the PSOE has followed in the path of the West German SPD] The latter had found its road to Damascus [i.e., was converted] at the Bad Godesberg congress in 1959. In order to be *regierungsfähig*, fit to govern, in the eyes of a public traumatized by the occupation of part of Germany by the Soviet Army, which maintained a communist regime there by force, the SPD officially broke with Marxism and was transformed from a labor party into a people's party. It threw itself into election campaigns in the name of a more social conception of the market economy, which was already defended by the Christian Democrats in the name of joint management of the big companies by the trade unions and liberalization of intellectual and moral life.

Mr Gonzalez' accession to the head of the PSOE at the Suresnes congress in 1974 provoked the same break. All Marxist references were eliminated from the party charter, which no longer advocated a change in the model of society, a break with capitalism. As Mr Gonzalez pounded away during the 1982 election campaign — his ambition was more modest: "To raise the morality of public life to a higher level" and "to nationalize the state," but this was no small matter in a Spain in which the centrists had just laid the foundations for post-Franco democracy.

Evolution does not always move in the same direction, one in which socialism becomes insipid, moves back toward the Center. At the present time we can see the West German SPD "leftize" its policy, not only because it is in the opposition where it is always easier to maintain or rediscover doctrinal purity, but because it in this way responds to a certain radicalization of public opinion. All the same, it is not going back to the tablets of Socialist law (planned economy, nationalizations, ...) because the younger generations are more sensitive to problems involving security or the environment than to theological battles.

Breaking with Marxism does not necessarily mean having done with a way of thinking. When PSOE leaders assert that in the present phase they have "to pursue the bourgeois revolution which the Right was incapable of successfully carrying out," they are still reasoning according to classic ways of thinking. Will the "socialist revolution" follow the "bourgeois revolution" phase?

Meanwhile, it is the time for pragmatism. The Spanish situation imposes it on them. The military regard the Socialists' accession to power with mistrust, indeed hostility; terrorism is raging in the Basque Country; barely launched by



the centrists, regionalization is not satisfying autonomist demands; the Catholic Church continues to dictate civic morality on the issues of divorce, abortion and education.

But beyond these specific characteristics, the manifestations of the economic crisis which the Spanish Socialist Government is confronted with are those of all of Europe.

When the PSOE won the elections, the unemployment rate came to 16 percent of the working population, inflation to 15 percent, the public debt represented 6 percent of the GNP and the foreign debt exceeded \$30 billion. The Socialists counted on neither nationalizations (except in some key sectors like the high-tension electricity network) nor on growth inflated by the budget deficit ("not a panacea, but a sign of irresponsibility") to redress the major balances.

From the very first, they pleaded for a sustained effort and austerity. They wanted to increase companies' earning power and ability to compete internationally by lowering production costs. They did not openly say "wage costs," but payments for services would not be spared by austerity. They wanted to improve the operation of the public sector before expanding, reduce "lame duck" subsidies, but increase aid to small and medium-sized businesses, which constitute the essential core of the industrial fabric, and they reduced employers' share of the contribution to social security by 20 percent. In international circles the PSOE appeared to be the only party capable of putting the Spanish economy back into shape, an economy that was harmed by the negligence of the centrist government.

#### Swedish Example in Question

It is not only the Marxist dogmas that have been repudiated; the Keynesian theory itself, born of the crisis of the 1920's and Bible of the social democratic reformists after the war, has been contested. Other certainties are wavering. The "Swedish model" functioned perfectly as long as growth permitted them to distribute the fruits of expansion and "socialize consumption." Its perpetuation was based on the constant extension of the public sector, not at the level of production, but of distribution of services.

The modus vivendi that existed between employers and the labor movement in the 1930's included both great freedom of action for private firms (a prosperous and competitive company is the prerequisite for improving the workers' standard of living) and a redistribution of national income thanks to a draconian tax system. Swedish social democracy declared itself to be against nationalizations. On the contrary, the Conservatives did not hesitate to resort to them to come to the aid of employers who were in trouble.

When the Social Democrats returned to the government in September 1982, they found the welfare state system intact — the "bourgeois" parties had respected it — but an economy in ruins. The inflation rate was 10 percent, unemployment 3 percent (that is a lot in a country accustomed to full employment), the budget deficit had reached all-time highs (14 percent of the GNP) and the average purchasing power had dropped 10 percent during the 6 years of "bourgeois"

government. Between the mistakes of a policy of pump priming that did not take into account international constraints and a disgraceful "Thatcherism," Mr Palme is looking for a "third way," combining growth through investment with reduction of consumption, both public and private.

The struggle against unemployment may well be the top priority, but the reversal of the situation is spectacular. The first steps taken by the Palme government confirm this orientation, particularly the 16-percent devaluation of the Swedish krona without compensation for wage-earners. Swedish firms' ability to compete has been reestablished, industrial production is on the rise, profits are leaping forward and the Stock Exchange has never been better; the trade balance deficit has given way to a surplus; the rise in prices has been cut in half.

All these reports of victory have another side to them. In the early 1970's recovery had already been manifested through an explosion of profits... and wages, increases of which came to 20 percent a year, leading to galloping inflation. This time the minister of finance does not see things in that light. The trade unions and employers have been invited to show themselves to be reasonable. The result: Purchasing power is in danger of dropping again during the first few years of this new Social Democratic government. We are indeed witness to a redistribution of national income, an issue dear to socialists, but to the advantage of private firms and the detriment of wage-earners, which is not exactly in keeping with sound doctrine.

To calm the unions, despite the virulent opposition of the employers, the government has agreed to satisfy an old demand by creating wage funds entitled to share in the profits in private companies. The precautions surrounding the creation of these funds are such that employers' fears of a "socialization" of industry appear to be pointless and the concession appears to be more ideological than real.

Do the Swedish Social Democrats have a choice? They can scarcely increase fiscal pressure, which with compulsory withholding tax payments exceeding 50 percent of the GNP beats all records, nor can they develop the public sector -- to stimulate growth -- because it already directly or indirectly controls 70 percent of national income. Like Mr Palme, they can hope that the economic recovery will "naturally" restore to the government room to maneuver in by enabling it to reduce the budget deficit without cutting social expenditures. But nothing is less certain. Without openly admitting it, the government is encouraging people with high income to contract for medical and old-age insurance with private companies. In the event they do so, it even grants them tax reductions.

This shift of risk to the private sector is accompanied by a more general consideration of the place of the citizen in the society, of the omnipresence of the state, the need for giving individuals more responsibilities and influence by encouraging them to participate financially and personally in some services currently provided by the bureaucracy. The trade unions, which are in close symbiosis with the Social Democratic Party, are very reticent with regard to

this decentralizing, antistate tendency. The debate, which is referred to as "the war of the two roses" in Sweden, has only begun.

The fact remains that the dogmas of Swedish social democracy have received a shock and the consensus has been shaken. What is at issue is to determine whether the questioning of the old principles is due purely to the economic situation or whether the economic crisis is giving rise to healthy criticism of ideas that have been accepted. This question is valid not only for Sweden or for the various avatars of democratic socialism. It is not inescapable and even less so has it been answered once and for all.

[14/15 Oct 84 p 9]

[Article 6 by Rene Remond: "History of an Enigma"]

[Text] Under the pressure of the facts, French Socialists have begun to revise most of their dogmas. They were preceded in this enterprise by the principal social democratic parties of Europe (LE MONDE, 9, 10, 11, 12 and 13 October). However, in France itself, each time the Left has exercised power, it has been forced to compromise on its policy and to give up all or part of its platform.

Is it, therefore, written into some obscure purpose of history in France that the experiments of a government of the Left, and oddly those inspired by socialism, are all condemned to a premature end before they have been able to implement their entire platform, or — an even worse possibility — are forced to commit themselves to a course contrary to their original intentions and promises?

The repetition of the process gives us the impression that a certain fatality weighs heavily on the Left's relations with power. In connection with this, the chronology is eloquent. Just consider. May 1924: the 11 May election victory of the Coalition of the Left, which brought together chiefly Radicals and Socialists. The moment had come to exact revenge on the National Bloc. Two years later the last in a cascade of ministries, the Herriot Cabinet, ousted by the collapse of the franc, passed the government on to a new majority in which the Right was present.

May 1936: a victory by the People's Rally and soon thereafter the formation of the Blum government which undertook an important series of reforms. The date from which we should consider the experiment to have been definitively ended is still disputed. It certainly was with the constitution of the Daladier government in April 1938, less than 2 years later. But the drift away from the point of departure occurred during several periods of time and was set into motion quite early. Just like the current majority's revision of its orientations did not wait for a change of prime minister, rather beginning when Pierre Mauroy was converted to austerity in June 1982, the Popular Front government compromised on its policy in February 1936 with the announcement of the pause.

Twenty years later, in 1956, it was the victory of the Republican Front behind Guy Mollet, Pierre Mendes France, Francois Mitterrand and Jacques Chaban-Delmas. It took even less time to compromise on the announced orientation: Swept into

power with the watchword of peace in Algeria, a few weeks later the government engaged in a policy of pacification, the meaning of which term is quite different. As for 1981, just compare the statements of the two prime ministers when they presented themselves before the National Assembly in July 1981 and July 1984 and gauge the size of the gap between the two speeches.

Thus on four occasions over a period of 60 years, acceding to power through the interplay of the elections, the Left has had to either defer to the Right during parliamentary sessions or take the initiative in itself modifying its policy and giving up its platform, upon presentation of which voters had extended it their confidence. In the face of such repetition, how can we not believe that a sort of fatality governs relations between the Left and power?

The Left and the Right each have their explanations for making the phenomenon intelligible, explanations which people imagine oppose one another in all respects except, admittedly, the permanence of the fact. The Right sees in this series of fiascos proof of the unrealizability of the Left's ideas and confirmation of its powerlessness to govern. The Left is utopian or demagogic. One does not play with reality: Tested by its actions, the Left discovers its error.

The Left naturally attributes its repeated failures to quite different causes: If it has had to capitulate in this way, it is not because of the evidence of things as they are, but because of the bad faith of its adversaries. The Right does not bow to the will of the voters, does not resign itself to being evicted from the government and it will not rest until it has regained it by no matter what means. In 1924-1926 the Left succumbed in the face of a wall of money, in 1936-1937 in the face of the obstructionism of 200 families, sabotage by employers and the conservatism of the Senate. Is it in the nature of things or conspiracy on the part of its adversaries?

### Three Different Configurations

But is the same Left really involved in all these cases? In the 20th century relations between the Left and the exercise of power have taken shape in three very different configurations. As a reminder, let us cite the situation in which the Left — almost always a party solely of the Left, the rest remaining in the opposition or pursuing an alternative tactic — shares power with others, the Center, Center Right or Right: sometimes a union of the Centers and sometimes the formula called national union, which brings together parliamentary conservatives and radicals. While this representative case has been the most frequent, contrary to the image a practice of bipolarization that has been uninterrupted for 20 years now tends to impose on the situation today, France has been governed longer by a Center coalition than by one bloc fighting another.

There is nothing more natural than that the Left has been unable to fully realize its platform in these sorts of situations, since it was only one element of a coalition whose cohesiveness was based on a lowest common denominator that borrowed very little from the Left's objectives. It was, however, not in such a configuration prevented from effecting a few reforms that come under



the heading of its aspirations. It was, for example, in a national union government that Edouard Herriot, the minister of public education, introduced free education in the secondary schools. Similarly, on the day after the Liberation structural reforms — nationalizations, social security, reform of the tenant farming and metayage law, which the Left today claims credit for and in the extension of which it has incorporated the reforms it started working on in the summer of 1981 — were realized by the provisional government, at first through a formula of national unanimity under the authority of General de Gaulle and later within the tripartite framework that joined the Popular Republican Movement with the two parties of the Left.

In a second representative case the Left governs alone, the Right having been cast back into the opposition through the operation of alliances and the will of the voters, sometimes in full strength with all of the parties of the Left reunited, sometimes with only one of its components. But this Left is not to be confused with nor always to be identified with socialism. In 1924, while it campaigned alongside the Radical Party and agreed to support a government headed by Radicals, the SFIO declined the invitation to participate in it. The coalition's failure was, therefore, not its failure. It did not pass judgment on socialist ideas. On the contrary, the Socialists might have reproached the Radicals with not having followed their proposals in the domain of finance and with not having deviated from a strict budgetary orthodoxy that put them at the mercy of powerful money interests. If they had pursued a real policy of the Left, would things have turned out the same way? In 1936 it was the Communists' turn to reject the Socialists' invitation. In 1936 and 1956, having become the chief force of the Left, the PS led the government, but it was not alone and, not being alone, it had to come to terms with its partners, who were farther to the Right than it. Furthermore, the platform on the basis of which the campaign was run was not especially Socialist: In 1935-1936 the Communist Party had espoused the views of the Radicals, who were opposed to the incorporation of overly far-reaching reforms. In 1956 the Republican Front was an ill-matched coalition.

#### An Exceptional Situation

When all is said and done, the representative case in which the Socialists have an opportunity to pursue an authentically Socialist policy and implement their platform appears to be an exceptional one in France, unlike most of the other countries of Western Europe where comparable configurations have retained power for more or less long periods of time without having to share it. This peculiarity of our political life is in part a consequence of the French multi-party system which prevents a single party from getting close to commanding an absolute majority. While the Socialists have been associated with the government on and off since August 1914 and while the PS has acceded to power on and off since 1936, before 1981 it never commanded the absolute majority which alone would permit it to experiment with its ideas and demonstrate what it is capable of.

Moreover, not a single reform achieved or set in motion by the Blum government or by Pierre Mauroy's has anything specifically socialist in it: neither the introduction of paid vacations, nor collective bargaining, nor reduction of



the number of hours in the work week. While decentralization has found an echo in the PS since the 1960's, it is not its private property: A conservative tradition is the customary basis for it and, alongside Socialist advocates of decentralization there are those who are just counting on the capture of the machinery of government to successfully effect the transformation of the society. This is even more obvious in the case of the school dispute: Precisely because the defense of secularity and the attachment to public service as concerns education form one of the oldest levels of the Left's ideological inheritance, they are much earlier than the emergence of socialism as an organized political force.

Thus, far though the deviation from the platform since 1981 may seem, as a mere reiteration of a recurrent process, recalling the Left's previous experiments underlines the peculiarity of the situation created in the spring of 1981.

### The Left and Public Opinion

The fact remains that all of the Left's previous experiments came to a sudden end. This would not hold our attention if the same were true of the conservative majorities. But the lack of symmetry between what generally happened with the majorities of the Left, which yielded their power in parliamentary sessions or compromised on their policy to bring it closer into line with the orientations advocated by the Right, and the fate of the conservative majorities, which ordinarily lasted the full term of their mandates, only losing their power through an election, does not cease to intrigue us.

The phenomenon is too constant to be only due to chance. If we reject those more polemic than reasonable explanations that attribute this disparity in their fates to the soundness of the Right's ideas or the faithlessness of the Right, what then is the secret of the enigma?

Since the situations are not identical, the causes also vary from one experience to another. The real state of the balance of power between the Right and the Left is not the least decisive factor. Contrary to what a public then less familiar with the methods of counting votes might have believed at the time, neither in 1924 nor in 1936 did the Left have as big a margin in this country as the distribution of seats in the Chamber of Deputies suggested. Its majority among the electorate was not such that it could govern without taking the opposition into consideration or ignore its reactions, especially if effecting basic reforms was involved which would disturb old habits and upset social relations or institutions.

That is why, for example, for lack of being supported by public opinion, the coalition government was forced to renege on the secularization measures that were part of its election platform. And yet, what was at issue was merely the reinstatement of laws that had been suspended at the start of the war. All the more reason for new reforms if the impulse was there. In 1956, caught between the two opposing fires of the Right and the Communist Party, the Republican Front had only a relative majority.

If only the Left had been united in these various situations! Such was not the case. Just as it is accepting the responsibilities imposed by the accession to power, part of the Left shirks them. As for that part that bears the weight of the decisions that have to be made, it was not homogeneous in 1924, in 1936 or in 1956: Each time there was a coalition. What is surprising about the fact that, as time goes on and as difficult choices are imposed, the original accord should crumble?

In connection with this, recalling previous situations highlights the decidedly unyielding originality of the situation since 1981. For the first time the Socialists hold an absolute majority all by themselves; it is also the first time that they are not at the mercy of the defection of a partner and that they can imperturbably pursue their policy after the departure of their partners, the first time too that they are not obliged to count their time in months. They can count on a whole 5-year period.

### Weight of the Crisis

There is, however, one point on which the experiment now in progress is not unique and resembles the previous ones. This is perhaps one of the keys to the explanation: the economic and social situation. It is the Left's misfortune to have assumed its responsibilities in the midst of a crisis in 1981 as in 1936. In 1936 the crisis had been going on for 4 years, while in 1981 8 years had already passed since the first oil crisis. What bad luck for a Left whose originality is characterized chiefly in the economic domain and in social relations. In the distribution of wealth, the concern for correcting the inequities, for narrowing the gaps, these are all things easier to realize in a period of prosperity than in a time of scarcity. The gap between what the Left believed it could promise before and the little it can effectively distribute is inevitably engendering disappointment and disenchantment. To boot, the Left's economic line is at this time particularly ill-adapted to the situation.

The Right is less obliged to make promises in connection with this. But would the Left have been swept into power without the discontent caused by the austerity measures decided on by conservative governments? Would the Popular Front have won in 1936 without the deflationary policy and the Laval executive orders? Would the PS have rallied a party supported by managerial personnel in 1981 if the insidious rise in unemployment over a period of 7 years had not worried them?

One fact establishes an important difference between the previous experiments and the 1981-1984 Socialist government: its duration. The credit goes to its institutions; it is they that have assured the survival of the experiment. Why would the process that has each time cut short the existence of Left majorities under previous regimes not recur? This advantage of longevity has its dark side; it is impossible to leave the responsibility of compromising on one's political orientation to others. It is the Socialists who regard themselves as being obliged to recognize the necessity of instituting a pause or reversing the hierarchy of priorities. In having to in this way themselves conduct a revision of their way of thinking and their objectives, do they not risk losing even their identity?

[16 Oct 84 p 42]

[Article 7 by Pierre Drouin: "Conviction and Responsibility"]

[Text] Tested by power, the Socialists have modified their policy and gotten rid of some of their myths. Before them, their counterparts, the European social democratic parties, had already undertaken the same revision, and in France itself each time that their predecessors had gotten into the government, they in like manner had to come to terms with the realities of life (*Le Monde*, 9, 10, 11, 12, 13 and dated 14-15 October). So what form can a modern socialism, a socialism for a time of crisis take today?

Paul Valery spoke of words that have "more value than meaning." "Socialism" is one of these. How many different kinds of bottles has that label masked since it first appeared in the mid-19th century!

To stick to our contemporary era and those regimes that call themselves socialist, the range of interpretations of this ideology runs from the totalitarianism of the "socialist" countries of Eastern Europe to reformist "social democracy" passing through the less marked "socialisms" applied in Greece, in Spain or in Portugal. As for "French-style socialism," in 3 years time it has, as we know, evolved from an ideology close to Marxism to a well-tempered neo-liberal practice.'

The 1905 unity pact, which produced the PS of Jules Guesde, Jean Jaures and Edouard Vaillant,\* was unequivocal. Indeed, in it people read: "The PS is, among other principles, founded on the political and economic organization of the proletariat into a class party in order to gain power and socialize the means of production and trade, that is, to transform capitalist society into a collective or communist society."

After the split in Tours in 1920, the text was retained and in 1969 the declaration of principles of the new PS resulting from the Alfortville congress established that "the gradual socialization of the means of investment, production and trade... constitutes the indispensable basis for socialism." The nationalizations of 1981 tended to prove that they were not deviating from that line.

Between Mitterrand's originally "tough" conception of socialism and the tendencies of Rocard or Delors there were from the start sharp differences, the latter having realized that, to repeat Max Weber's celebrated expression, there had to be a distinction between the "ethics of conviction" and the "ethics of responsibility." The exercise of power most often alters the purity of an ideology and this is a very good thing too since a doctrine that does not take its measure from time to time to test its solidity becomes rigid and brittle like glass.

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\* The SFIO.

French socialism has not evolved depending on whether it was in the opposition or the government. Since the 19th century it has been oscillating between Marxist, statist, Jacobin, regulation, etc. currents and the Proudhon self-management and decentralization current. These variations of enlightenment are today complicated by the fact that they have to /manage/ a difficult economic situation and, therefore, prune the ideological tree to survive in power.

#### Choose One's Course

The fundamental question that they are beginning to raise more and more here and there is, therefore, this: Which values should socialism preserve under the penalty of betraying its message? What original ideas can it still propose that one would not find in another basket, the basket of liberalism, for example?

We must not be afraid to climb to the highest point to see clearly and particularly into the motivations — which one might call almost visceral — that drive an individual to call himself a socialist or, at any rate, a leftist. In our opinion, his basic impulse is this: One should align oneself with those men who think that their actions can influence events, improve the course of affairs and, ultimately, history. The means may vary: In the past revolution seemed to be the obligatory point of transition; in the West today it is rather reform. Thousands of pages have been written about this topic, which in the end is not the most important one since it is above all a matter of circumstances, one would fashionably venture to say. What counts much more is: 1) the feeling that society can be constantly improved; 2) the idea of change for the sake of change is of no interest, but one must choose one's course by seeing to it that overly venturesome initiatives do not founder on the reefs of reality.\*

Lucid optimism is therefore required of the man of the Left, who has before him a "workshop," not, like the man of the Right, natural laws and an "invisible hand" that works at the order of the world.

This said, which course today? Let us not dwell upon the obvious, which may have its origins in the Enlightenment when the word socialism did not even exist. The lighthouse with three sides: liberty, justice and solidarity, was supposed to light the way to all navigation of the Left toward ever broader democracy, that is, extending politics into the economic, social and local domains of daily life. The more people there are to assume responsibilities, the more meaningful socialism will be. This is another form of the "principle of subsidiariness" that is applied in all good organizations: Decisions should be made at the lowest possible level.

The diffusion of power bears a socialist "stamp." In the nation this is called decentralization. But beware of the subversions: It is not only a matter of transforming the power of the state into local powers, but of multiplying centers of initiative, autonomous agencies, of encouraging associations, etc. In business, the Auroux laws have also indicated a way of operating based on a

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\* Which is in contradiction with the well-known line of Edouard Bernstein, a socialist who was for a time Engels' secretary: "The objective is nothing; only the movement matters."



socialist model which many private managers have, moreover, learned to appreciate in actual practice.

But socialism must not forget that the only free society is one that is in conflict with itself. With respect to this its modern version should come closer to Kant than to Marx: Social conflict is a positive element, a producer of progress.

The extension of democracy, of true freedoms, does not advance without a constant struggle, not for egalitarianism, the gravedigger of liberty, but to reduce inequities. The major gain of social security should be handled with nothing but extreme caution, and only to see to it that increases in its cost and contributions to it do not entangle the whole economy. Solidarity cannot be transformed into the rule of "to each according to his needs," just as freedom must follow Rawls' somewhat Kantian rule: "Each individual has an equal right to the broadest possible basic freedom compatible with equal freedom for others."\*

Justice demands not only equality of opportunity at the start, but the correction of overly flagrant inequities later on. Here too, socialism should avoid the classic deviation in which we see effort penalized.

In any event, one of socialism's most disputable missions is its concern for the "rejects" of society. There used to be those who, in the course of the growth process, could not keep up with the production belt of expansion and found themselves rejected, cast by the wayside. There are today those who cannot board the production train, which has slowed down to a snail's pace and which is already jam-packed. Liberals regard them with commiseration and a gesture of impotence: There will always be losers. They simply hope that they are not always the same ones. A new line separating the Right and the Left which — even if they disavow it — must be noted is the campaign against unemployment, even if the steps taken to eliminate it can only be gradual, to avoid producing other imbalances elsewhere.

The "rejects" of the planet are also calling the socialists to account. It is not only a matter of increasing classic aid for development, but of favoring all initiatives whose goal is to fight malnutrition on the spot and sow the seeds of sound growth.

#### Make a Fire with Any Kind of Wood

Since a better distribution of wealth is much more difficult in times when it cannot easily be created, socialism must respond to a new challenge: What image should it assume in a time of crisis? The temptation would be to inflate the allocations and contributions of the state, regarded as a last resort against the damage inflicted by fate. If the Left yields to this, it will not last very long, strangled as it is by what it is embracing. On the contrary,

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\* Cited by Laurent Joffrin in his book, "The Disappearing Left" (Seuil Publishing Company).



it must make a fire with any kind of wood during the winter of the economy. The levers of the market, of the individual, must be fully exploited alongside those of the state. Now or never is the time to ferret out "human resources" everywhere to serve the common welfare.

The socialist mother lode is rich enough to support a large-scale cultural project. Because this is what it finally comes down to. A transformation of mentalities is indispensable to effectively ride out the crisis. The Left can help in this because it has not built up its credit on the basis of goods and showers of money, because it does not confuse the means with the ends.

To produce for the sake of producing makes no sense, unless war is the best objective... and a radical means of eliminating the jobless. The creation of wealth should correspond to the most varied of, but catalogued needs, as Alfred Sauvy has been insisting for years without being heard. Not everything can be determined by the market. In a time of crisis socialism can attempt to respond most effectively to the demand for /nonmaterial/ goods (conviviality, knowledge, urban beauty, etc.). The right to one's identity and to blossom is not written into the Constitution. If, however, we could respond to this fundamental aspiration, demands that are more conventional but which the crisis makes it difficult to satisfy would no longer be the sole view of progress.

We can cut the branches of "Marxism," "the class struggle" and "the collective appropriation of the means of production" off the tree of socialism and yet it will continue to live, if it defends against wind and tide the values we have referred to: more open democracy, the struggle against social injustice and the diffusion of a new culture. Might this also be called social democracy? So what? Social democracy is perhaps the kind of socialism that works.

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C20: 3519/59

## ALGERIAN CONCERNS ABOUT MITTERRAND'S AFRICAN POLICY

Paris LIBERATION in French 19 Oct 84 pp 23-24

[Article by José Garçon: "Algiers: Mitterrand Will Attempt to Remedy an Uneasy Situation"]

[Text] Can one trip redeem another? François Mitterrand's visit to Algeria will at least placate the Algerians who were badly affected by the French president's visit to Morocco, the more so as it was not without repercussions on the Algerian domestic policy coming as it did on the wake of the Hassan II-Qadhdhafi agreement.

"Take a round trip ticket to Ifrane with guaranteed repercussions on the Algerian political scene; add slightly more control over emigration; mix with the characteristic Algerian propensity to raise the ante with France; sprinkle the whole thing with a pinch of petroleum and it explodes." This small sentence spoken by a diplomat summarizes well the reasons for the almost 2-month old uneasiness between Algeria and France and it gives an idea of the climate awaiting François Mitterrand who arrives today in Algiers.

Thinking initially of stopping in Algeria on his way to the Franco-African summit--a terrible idea taking into consideration the Algerians' hostility toward what they consider to be a "summit of the colonies"--, the chief of state finally decided to visit President Chadli Bendjedid in an attempt to defuse the crisis with Algeria. It will not be easy.

Recalling that Algeria was the "only Arab country to have backed François Mitterrand's victory" when all the others, Morocco and Libya in the lead, "were openly backing Giscard," Algerian officials feel that they have been poorly rewarded, thus bringing once again all the old grievances to the fore.

"Contrary to François Mitterrand's promises to Chadli at the beginning of the septennate, France changed none of its alliances in Africa," they remarked recalling that "the dismissal of Jean Pierre Cot," the former minister of cooperation, "was a turning point and ended any illusions" about the possibilities of seeing a new French policy carried out in the Black Continent. "The old demons of colonialism are reappearing," unhesitatingly declares an Algerian minister who sees an "incredible disregard toward Africa" in the way in which the agreement about the Franco-Libyan withdrawal from Chad was carried out.

The tone, as we can see, is close to being insulting and broad suspicions supplement the two basic complaints directed against the French president, i.e., "endorsing the Libyan-Moroccan union" by going to Ifrane and not giving "prior notice" to Algeria "in plenty of time" about that visit to Hassan II. To be sure, the fact that Claude Cheysson had, on 30 August, delivered to President Chadli, several minutes after the French media had broadcast the news, the message announcing Mitterrand's trip to Morocco was, to say the least, disagreeable. To be sure, this "setback" was due partially to a Moroccan "leak," but it is difficult to understand why the French leaders ran such a risk by not informing Algiers much sooner, particularly since the Algerian leaders' suspicions had been aroused by the comings and goings of the two presidential advisors to Morocco, Jacques Attali and François de Grossouvre, prior to Mitterrand's visit to Ifrane. News of that visit had even circulated at the embassy of the United States in Paris, one of the presidential advisers having quietly mentioned it to an American general, Vernon Walters, he had met in Rabat a few days before the presidential visit.

#### Traumatism of the Moroccan-Libyan Treaty

Those surprising blunders do not suffice, however, to explain the violence of the Algerian reaction to the Hassan II-Mitterrand's meeting. Anxious, first of all, "to avoid a crisis with Morocco" by postponing an already scheduled visit and fearing that Rabat and Tripoli would read into it a French condemnation of their union, François Mitterrand undoubtedly underestimated the trauma created in Algiers by the famous Moroccan-Libyan treaty. Having always believed that "anything done without it is, in reality, done against it," Algeria saw in the alliance between Qadhdhafi and Hassan a typical aggression aimed at "encircling" it.

The very mild interest with which the Algerians listened to Claude Cheysson talk about the problems of the Third World's debt during his visit to Algiers and their sudden attention as soon as the talks turned to "the situation in the region" are proof of Algiers' concern following the Moroccan-Libyan treaty.

A western diplomat even believes that this concern is explained to a great extent by Algeria's real paranoia toward the Libyan colonel ("comparable to that of Ronald Reagan with regard to Libya").

This paranoia is so great that the doors seem to have now shut tighter against Tripoli than Morocco. As a matter of fact, official statements to the contrary, Algiers believes that Hassan II has remained a stabilizing element not only in Morocco but also in the region as a whole. Algiers is considering with little enthusiasm the prospect of a military coup in Morocco, whether it be from the "Left" or from the "Right and pro-American," the more so as a Moroccan army in control risks to take a tougher stand against Western Sahara than the king himself.

#### Break With Qadhdhafi

The attitude toward Libya is substantially less conciliatory. As a matter of fact, Algeria has a security problem with Libya. It is not by chance that,

after the Libyan-Moroccan union, the Algerians carried out armored tanks maneuvers in the Djanet region where they built, in particular, a few landing strips. The agreement between France and Libya made this security problem even more sensitive by making possible the Libyan disengagement from Chad: The Libyan troops are "available" now that they are out of Chad. This prospect does not appeal very much to the Algerians who have not yet settled their border dispute with Libya (Tripoli demands a scalloped border penetrating into Algerian territory) and Morocco (Western Sahara).

Blaming Qadhdhafi for having helped and financed Algerian dissidents like former president Ahmed Ben Bella, Algeria also fears that the Moroccan-Libyan bloc will be an economic competitor, especially at a time when Libyan oil is selling better because cheaper and Algeria has difficulty selling its own. Tripoli and Algiers also compete in Tunisia, both of them having their "sight" on Bourguiba's succession. Finally, this does not even touch on the real competition between the two capitals for the African continent.

This avowed hostility toward Libya explains the edginess of the Algerian leaders who remain convinced that France endorsed the Qadhdhafi-Hassan II alliance. In addition, Algiers blames Paris for having given the Moroccan sovereign the possibility of demanding a role in the Libyan withdrawal from Chad. Hassan II can thus represent himself as being the only one able to obtain concessions from Qadhdhafi, a claim which gives him a prohibitive power, especially with the Americans. Algeria, however, may not have "overreacted" in this fashion had not the Libyan-Moroccan alliance and François Mitterrand's visit to Ifrane had deep implications on the Algerian domestic policy.

#### Toward a Questioning of the Open Approach Policy

After Houari Boumedienne's death, years marked by "Third World concerns" and an ambitious diplomacy, the Algerian leaders feel the time has come to devote more time to Algeria. Furthermore, for the past 3 years, the Algerian chief of state has been conducting a real "open approach policy on domestic and foreign fronts. Bolstered by the support of a large segment of the army, Chadli Benjedid both dismantled the "Boumedienne supporters" and the technocrats who had established an overly concentrated and enlarged state sector, and conducted an open approach policy toward the West and, most of all, toward France.

The "treason" of the king of Morocco, who became an ally of Public Enemy No 1 Qadhdhafi, and of France, "at a time when the alliance upsets the whole regional balance," gave a golden opportunity to the army and party "toughs" (supporters of Islam, Boumedienne and the Soviets) who instigated a violent attack against the French Socialist Party in the MOUDJAHID. They are already asking questions about the results of the open approach policy conducted for the past 3 years. To be sure, there has always been a conflict between "hawks" and "doves" in Algeria. However, the Oujda treaty and the visit to Ifrane unquestionably allowed the "toughs" to reopen it and that, even if it is officially claimed in Algiers that the Libyan-Moroccan alliance has, on the contrary, "tightened the ranks" around the Algerian president.

The latter must nonetheless be very careful. In order not to make relations with the United States a monopoly of Morocco and "to pass Hassan II on the right,"



a high-ranking American military delegation was received for the first time in Algiers on 2 October last. An Algerian military mission might in turn go to Washington and the training in the United States of Algerian soldiers is even being considered, which would be an important first. The development of these relations, however, risks bringing about a "more rigid stand" on the part of some officials who are advocating tightening relations with the Soviets. Barely 2 days after the American delegation's visit to Algiers, the Algerian press therefore devoted much space to a Soviet delegation's visit to Algeria that was lead by Boris Ponomaref who was received by Chadli Bendjedid.

For the time being, however, Algiers seems far from a "Boumedienne-type rigid stand." A ministerial reshuffling has not yet occurred, nor has an FLN Central Committee been convened extraordinarily.

There are even signs of the return of a few supporters of Belaid Abdessalam, the father of the industrial revolution in Algeria, to the industrial and economic sector. Furthermore, the presence of many majors and colonels of the Algerian army at a reception given by the embassy of France on the occasion of the departure of the French military attaché a few days after François Mitterrand's visit to Ifrane, seems to indicate that at least a good portion of the army remains favorable to maintaining relations with France.

The fact that the Algerian nation is today stronger, that it operates without too many breakdowns and that the social situation has improved, is also an undoubtedly "stabilizing" factor for the current authorities.

#### The 1 November Test

It will be necessary, however, to wait for the announcement of the military promotions next 1 November, the 30th anniversary of the beginning of the Algerian insurrection, to get a more precise idea about the ration of forces in the Algerian army. The extent of the new grace and amnesty measures scheduled on the occasion of these festivities for political prisoners and a few famous exiles and people convicted in absentia, should also make it possible to appreciate the determination--and capacity--of President Chadli to continue his "open attitude" policy. Economic concerns also weigh very heavily on this debate. The supporters of tighter relations with the Soviet Union soothingly declare that commercial disagreement with Algeria's western partners make the round, beginning with France, particularly on the subject of gas and especially oil.

Beyond political-economic considerations, however, the Algerian resentment toward France, mostly resembles a crisis of confidence and there might lie the least contemptible aspect of the whole affair; as though the relationship between the two countries, almost similar to the relationship among family or between lovers, could not sustain the least difficulty; as though not repeating unceasingly "I love you" to Algeria would surely be tantamount to saying "I do not love you," unavoidably provoking an outburst every 2 or 3 years.

A diplomat explains that "Beyond objective facts, that is also the reality of Algerian-French relations." One of the young Algerians in charge of information finally says about the same thing when he declares that "Even if our reaction is extreme, even if nothing definite happened in Ifrane, it is during difficult time



that the friendship mentioned by France can be tested. The Moroccan-Libyan alliance is one of those tests."

This crisis of conscience is aggravated by the prevailing conviction among Algerian officials who see a "marked preference for Morocco" among François Mitterrand's entourage.

Algerian officials point out that France supplies three times more arms to Morocco than the United States, which relieves Hassan II from seeking a negotiated solution about the Sahara.

As overstated as this criticism may be concerning France's attitude toward Morocco, it nonetheless raises the problem of Paris' Maghrebian policy and the inherent contradiction of the French platform concerning this subject. As a matter of fact, it is difficult to see how Paris could continue to insist on a "balanced policy" in the Maghreb while talking about "privileged relations," if not strategic choice, concerning Algeria. Undoubtedly none of this will prevent the Algerians from giving François Mitterrand a royal welcome today. Discussions could even go well, for no other reason that France and Algeria are "fated" to get along due to historic as well as economic ties, 95 percent of Algerian exports going to OECD countries.

No one, however, will forget, least of all the Algerians. It is not by chance that invitations to the 1 November festivities were sent not only to the Socialist Party and the government but also to the RPR [Rally for the Republic] and the UDR [Union of Democrats for the Republic]. It appears that Algiers is now considering a possible change in the 1986 majority. An Algerian official declared: "We are waiting to see if François Mitterrand is coming only to pour balm on a wound or to hold real discussions." Could the only way to achieve anything well be to try, at least once, to set aside history and think a little more about geography?

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## PCF CENTRAL COMMITTEE REPORT; PROPOSALS FOR 25TH CONGRESS

Paris L'HUMANITE in French 20 Sep 84 Supplement pp I-II

[Article: "A 25th Congress to Confirm and Establish Our Policy; Report by Georges Marchais to the Central Committee Meeting Held 17-19 September 1984"]

[Text] We publish below an analysis of the report presented by Georges Marchais, whose full text appears on the following pages.

The report by Georges Marchais to the Central Committee includes two major sections: the first section analyzes in depth the 3 years during which the communists participated in the government. Recalling that a number of considerable achievements were recorded, the report notes that during the summer of 1982 the first change in government policy took place. This was later worsened with the application of the "austerity" program.

Georges Marchais lists the warnings and proposals which the communists presented during this period of 3 years, mentioning the economic program of "boldness and innovation" which inspired these warnings. It was after noting that the government did not consider either the proposals by the communists or the people's demands expressed in the elections of 17 June and that the government's present policy "has no chance of improving things" in the economic sphere and "can only lead to defeat" in 1986 that the communists were forced to make the only decision consistent with honesty: not to participate any further in the government.

Georges Marchais insists on the fact that this decision "was in no sense a resignation, in no sense an abandonment" of our responsibilities. The communists "did everything possible and went to the limit to ensure that the experiment of a government bringing together socialists and communists would succeed." Our decision was a cry of alarm: "We strongly wish that the leaders of the country would examine their consciences."

Now, the report emphasizes the "extent of the retreat" by the government and the Socialist Party on the three matters whose decisive importance they underlined themselves: the Savary Law, the referendum, and the law on the press. Above all, the economic and social situation continues to deteriorate, while the prospects for the 1985 budget, which is a "bad budget," are alarming.

The continuation and the strengthening of this orientation of the government leads us from now on to take note of the existence of "numerous points of convergence" between the government and the Right-wing opposition. "Clearly, certain figures in the CNPF [National Council of French Employers] and within the Right-wing generally consider that they have a chance, with the present government, to obtain what the Right was not able to impose on the country in the past." In view of the ambitions of the RPR [Rally for the Republic] and the UDF [French Democratic Union], this does not imply that in the period beginning now they will move toward a political alliance between the Socialist Party and the Right.

The fact remains that, in its desire to expand its influence toward the "center," "the Socialist Party is bringing forward more and more clearly the idea that the notion of a government majority made up of a union of the Left is disappearing." This has led socialist leaders to attack the communists. Recalling that "the friends of Pierre Mauroy," [former socialist prime minister] who are trying to intervene from the outside in the debate which the communists are carrying on, Georges Marchais stated that "the policy undertaken by [Prime Minister] Laurent Fabius today is in no sense a break with the policy followed by Pierre Mauroy but is rather its continuation. Even if he had not presented the resignation of his cabinet in July, everyone understands that the policy which he undertook would, in any case, have raised the question of the participation of the communists in the government."

The report summarizes the position of our party in the present situation in these terms: "We are no longer in the government and we have no part in the leadership and management of the affairs of the country. And in the country itself we are with the people to go forward toward a solution of our problems. This means that we are fighting and will fight firmly against the Right, with which there is no possibility of reaching a consensus."

What is to be done now? To those who think that the failure of the Left is inevitable, the communists reply: "We do not want this failure. We will do everything to avoid it. And it is still possible to avoid failure. There is still time to stop the process, to reestablish the situation by following new courses and responding in that way to the people's hopes." That is why the objective which has been set out for our party is to create a "new concentration of the majority of the people." Emphasizing the impact of this action, this first part of the report concludes by setting out the immediate objectives which the communists propose by encouraging the participation of the people everywhere.

The second part of the report deals with the preparations for the 25th Congress of the PCF [French Communist Party], which will take place from 6-10 February 1985.

First of all, Georges Marchais emphasizes the need for a document adopted by the Central Committee and submitted for discussion within the party, so that the debate among communists will be "fruitful, complete, and democratic." This document should be prepared on the basis of an essential concern: "Favoring the effective participation of all in the discussion so that the decisions which will be made at the 25th Congress will really be the fruit of the reflection of all communists."

What orientation should this preparatory document have? "The frank and clear proposal which the Political Bureau should submit to the Congress should be to confirm and to deepen the strategy" defined at the three preceding congresses of the party. The report recalls what this strategy consists of: a democratic way to French-style socialism. It emphasizes the "considerable innovation" involved in this course, compared to the line followed previously. It explains why "ensuring that our policy makes progress in our national life" continues to encounter negative tendencies inherited from the past. It is possible to overcome these obstacles. This involves "not only action by the party but also involves the participation of the people themselves, as action and experience should be combined."

It is therefore on the basis of this strategic orientation that the preparatory document for the 25th Congress should be drafted. Georges Marchais first proposes an introduction setting out an analysis of the situation, followed by five chapters:

#### 1 - The Fundamental Problem Confronting Us: the Economic Crisis

The Congress document should first of all set down why the crisis is also that of present-day, capitalist society, showing this by means of several examples--the report mentions the issue of modernization--how the crisis has gotten worse since the beginning of the 1980's. Georges Marchais emphasizes the contradictory character of the crisis, which does not consist simply of its negative features but places on the agenda changing society on an overall basis. He calls in particular for more urgent reflection on "the exact nature of the political system in which we are operating" and takes for an example the real sub-foundations of the present campaign for the "rejection of politics."

#### 2 - Confirming and Deepening Our Political Orientation

It is on the basis of this analysis of the crisis that we have prepared our strategic orientation, to which the second section of the document should return. We should set aside "false interpretations of the 24th Congress of the party, which minimize its conclusions and tend to equate what we called the democratic way solely with the union of the Left or that we represented our participation in the government or in the government majority as essential and definitive consequences of our strategy."

Here the report emphatically reviews what the 24th Congress called our "strategic backwardness" and the profoundly negative effects which it had on our understanding of the nature of the crisis and the solutions to it. It also considers the kind of political structure which should be established to move forward, the decisive importance of participation by interested parties, and the role and influence of our party. Georges Marchais then undertakes a searching analysis of the period of the Common Program, explaining why our party has been oriented toward this form of union, beginning in 1958, what objectives the Socialist Party sought in accepting it, and what have been--and continue to be--the serious consequences for all of the people's movement and for our party.

Far from persuading us to renounce our new orientation, the difficulties which we are encountering, which flow from this period, should stimulate us, on the contrary, to strengthen this orientation and to apply it more effectively in



practice. Georges Marchais remarks that the deepening of the crisis, added to the experiment which people have undertaken since 1981 should all the more stimulate the development of a "new situation and new bases for later progress."

### 3 - Build a New Majority Concentration of the People

Flowing from the foregoing analysis, the third section of the preparatory document for the 25th Congress should be devoted to the "central objective which we should assign henceforth to our activities in order to move forward: a new majority concentration of the people." The report emphasizes that this involves a "major initiative by our party, which marks a sharp break with the appeals made by all the other political groups for resignation to the present situation. This initiative offers a credible, realistic, and unifying prospect for the people's progressive movement."

In order to succeed, to build such a concentration "which will hold together and which will go far," we must take into account some lessons from experience. "A summit agreement between political parties whose conclusion and then application are not supported by the participation of the people will remain fragile." In any case, "major importance should not be attached to agreements made between political parties." This thought in no way signifies questioning or even abandoning the concept of the union of the Left. However, we have to draw all of the lessons from past experience.

It is therefore a matter of acting in such a way that "at any time it is the people themselves and not the leadership of the political parties who will decide the why's and how's of such a people's concentration. This assumes new forms of stimulating and leading this concentration, which will make it possible for all of the forces concerned with it to be fully participating parties."

To whom shall we address ourselves? "For common action by the people there are not and there cannot be either prior conditions or superficial consideration of the matter."

What should the objectives be? "To show in a concrete way, on the basis of the problems before us today, the major features of a policy which relates to our vision of socialism for France," as well as the ground on which these objectives should rest. The discussion of this part of the document should "constitute one of the principal points in the discussion prior to the congress."

### 4 - Our Concept for Society: French Style Socialism

The fourth chapter of the preparatory document should rest on the framework on which our objectives are based: French style socialism.

Each of the constituent features of this concept for society is the object of a bitter political and ideological struggle. For the communists, therefore, this involves going resolutely over to the offensive "on the front of ideas and values." This should be done to defend justice against those who are at war with "egalitarianism," to denounce the views of those for whom "modern means everything which represents domination by capital as something eternal," to "unmask

true capitalism hiding as false liberalism," to act against "narrow-minded egoism, the fear or hatred of others, insecurity, discrimination against women, suspicion of young people, and racism."

In this section the preparatory document should deal with the question of the socialist countries. Recalling the position adopted at the 24th Congress of the party, "which put it in a few words: knowing them better and making the truth known," Georges Marchais studies these countries' development, concluding that our actions do not require change, but "we have to apply this idea much better."

#### 5 - France and Its People Need a Large Communist Party

Finally, dealing with what should be the last section of the preparatory document, Georges Marchais points out what France and its people would lose if the PCF did not exist. He strongly emphasizes the identity of the party, showing that "the direction of its efforts and the extent of its influence are not just a matter for the communists alone or even for a single social class."

The great question now before the communists "is to improve the effectiveness of their actions in all fields." We should reflect on the way the party functions on the basis of this essential concern. The report indicates that "the opinion of the Political Bureau is that, naturally, the preparatory document should reaffirm the validity of our organizational principle, democratic centralism." The report states what this organizational principle really is, rejecting arguments in support of accusations that it requires monolithic, unanimous, and rigid attitudes. The question is "improving the functioning of democratic centralism in order to benefit from all the possibilities which it offers."

Georges Marchais emphasizes, from this point of view, that "the democratic life of the party always leaves room for improvement" and the need for a better circulation of ideas, from the top to the bottom, but also from the bottom to the top. He strongly insists on the primordial role of the party cell: "This does not involve searching for a gadget or miracle recipe in this area, which is decisive for the democratic life of the party. Everything should be subordinated to this essential effort: really allowing each cell to meet, reflect, discuss, and act." This does not mean that we must look for additional forms to improve the effectiveness of action. The report presents several proposals in this area.

Georges Marchais concludes: "A new field is opening up for our activities. An immense responsibility rests with each communist."

#### Text of Report

Comrades, this session of the Central Committee is of great importance.

We need to identify the essential features of the situation in the country since we were forced on 19 July to decide not to participate in the government. And we must define the resulting tasks for our party.

Then we need to decide on the basic orientation which we are going to submit to the whole party in view of the present preparations for our 25th Congress, which the June session of the Central Committee decided will be held from 6-10 February 1985.

Each one of us should measure the importance and breadth of these questions. The Political Bureau has been engaged in a period of deep reflection and has taken note in an attentive way to the opinions expressed by other communists in the discussion to which we have invited the party. I will try, in this report, to give the Central Committee full information on the status of this process of reflection.

## I - The Political Situation

Therefore, I first come to the new situation resulting from the formation of a new government last July. Under what conditions was this government established?

On 17 June, at the time of the European elections, the Left majority which has been in power for 3 years suffered a serious reverse. As the resolution unanimously adopted by the Central Committee on 27 June correctly emphasized, 5 million of the voters who made the victory of the Left possible in 1981 "expressed their strong dissatisfaction by abstaining from voting to an extent unknown for a very long time. The Socialist Party and the communist party (were) both affected by this loss of electoral support." And we added: "In a definitive sense the primary reason for the massive abstentions among voters of the Left was the fact that the commitments made in 1981 on such major questions as jobs and purchasing power were not kept."

It therefore became necessary and urgent, in order to take this warning into account, to reorient government policy in a direction making it possible to make real progress in the solution of the serious problems facing the workers, the families of the people, and the country.

This is what we said the day following the election and what the Political Bureau forcefully reaffirmed in its statement of 17 July. This is what we demanded when the question of the formation of a new government was raised, and particularly during two meetings which a delegation of our party had with the new prime minister. Despite our insistence, our views were not considered in any way. We were thus obliged to make the only decision possible under these conditions: not to participate in the government.

For the last 2 months the Socialist Party has alone held responsibility for the direction and management of the affairs of the country. This is naturally a situation which is different from that which had existed since 1981. It is essential to analyse the situation in the most profound way possible in order to identify all of the implications for our activity. This presupposes not limiting our consideration of the matter to the most recent events, but rather to draw lessons from the entire period of the past 3 years.

## Lessons of the Past 3 Years

In 1981, after having fully contributed to the victory of Francois Mitterrand and the election of a Left majority in the National Assembly, we continued to meet all of our responsibilities. On 23 June 1981 we reached agreement with the Socialist Party on limited objectives. This related to commitments made by Francois Mitterrand, involving an agreement which we confirmed on 1 December 1983. On this basis we took our place within the government, in very much a minority position.

We were right to make this decision. The decision was fully in conformity with our fundamental orientation: acting under all circumstances and to the extent of our means to favor every step forward and contributing to the resolution of the problems facing the country, in order to respond to the will of our people. As we emphasized at the 24th Congress, we placed our action "in the framework of the choice made by the French people, with all of the possibilities involved and without losing sight of the limits of our action, as far as these concerned the objectives which the people had selected and in terms of the influence which they attributed to us."

What happened then?

### First, There Were Considerable Achievements

From the time it entered office the government decided on several social measures. The purchasing power of the SMIC [Interoccupational Minimum Growth Wage] and of low-paid workers was significantly raised. Social security benefits, minimum old-age allowances, pensions, and grants to retired persons were increased, and farmers' incomes increased. Thus, in the first 2 years of the government the average purchasing power of the French people increased by 4.5 percent. Reimbursement for voluntary interruptions of pregnancy, the institution of paying for third-party insurance, and the imposition of taxes on the largest fortunes were approved.

Other measures, which constituted considerable achievements, made it possible to raise the level of welfare. A fifth week of paid vacations and a 39-hour work week have been generally accepted. Retirement on full pay at age 60 has become a right for all. Occupational training for young people has made substantial progress.

The struggle against unemployment has now been defined as an essential priority, and various actions were taken to limit the number of unemployed to 2 million. Solidarity contracts have been approved. Industrial recovery plans have been supported by new loans. A substantial budgetary increase was approved in 1981 and 1982 to begin the renovation of public and social services.

At the same time structural reforms were adopted: industrial groups and the banking and credit system were nationalized; a program of decentralization was undertaken; and finally, the rights of the workers were expanded.

That is why, in February 1982, at the time of our 24th Congress, we said, in reviewing the action undertaken by the government: "Considered as a whole, the first measures adopted and those under consideration go in the right direction."



"However," we added, "it cannot be forgotten that great and serious problems remain."

#### A Change of Direction Was Confirmed and Deepened

Now, although we should have continued along the path already begun and decided on essential measures without further delay to deal head on with such crucial problems as those of unemployment and purchasing power, we were able to see, after the summer of 1982, the first signs of a change in the economic and social policy of the government, which were later confirmed and deepened. In the name of "austerity," government action had been directed along a line which consisted in benefiting capital financing in the hope that the expansion of profits would bring in its wake a recovery in investments, a reduction of inflation, and the reestablishment of financial balance, permitting in turn the modernization of production equipment and the recovery of employment.

Thus, instead of being used in support of a new economic policy, the advantages which the Left had provided to our country were practically rendered sterile. Publicly-owned companies and the banks were managed with the same criteria as in the past and acted like private, multinational firms. The workers saw their rights--both old and new--ignored or questioned. Their industrial or financial proposals were not given consideration. They were regularly faced with already accomplished facts, excluded from negotiations, and called on to suffer the negative social consequences of economic decisions which continue to be arrived at without their participation.

At the same time the effort made in terms of research was compromised and delays increased due to the law on programing. Regarding occupational training, it fell behind, due to the refusal of employers to use it for the mass of the workers.

#### The Situation in the Country Deteriorated

Under these conditions--as was foreseeable--the economic and social situation in the country deteriorated.

The social measures which had made it possible to stabilize unemployment were no longer effective. Beginning with the autumn of 1983, unemployment resumed its increase, reaching a pace of 40,000 more workers out of work per month in 1984 and a level of 2.3 million in June 1984.

The deterioration in industrial employment, which declined at a rate of 150,000 jobs per year in 1981 and 1982, has even accelerated. At the same time, the creation of jobs in the public services has slowed down and has stopped altogether in the civil service.

Serious blows were dealt to decisive industrial sectors. Today France is in ninth place in the world in terms of machine-tools, far behind Japan and the Federal Republic of Germany but also far behind the German Democratic Republic and Italy. Things have deteriorated to the point that 90 percent of the loans from the industrial modernization funds distributed to industry were used to purchase foreign-made equipment. In entire industrial branches like steelmaking, shipbuilding, coal mining, chemistry, aluminum, or automobile manufacturing the process

of "modernization" announced turned out in reality to be a sharp reduction in our productive capacities and the abandonment pure and simple of activities or of products which prevent making a profit from a certain resumption of sales on the international market and which lead to a deterioration in the rate of foreign penetration of our market. In the electronics industry also, the objectives of the action plan adopted in 1982 were all revised downward.

In terms of purchasing power a recent report from the Research Center on Income and Costs emphasizes that after 1982 the purchasing power of disposable income initially declined for certain categories of salaried workers--supervisors, clerical employees, and skilled workers--and then declined for practically everyone in 1983. Since the beginning of 1984 things are tending to deteriorate further.

Now, in parallel fashion company profits increased by 17 percent in 1983 in terms of gross profits and by 35 percent in terms of disposable profits, after the deduction of interest and taxes. The increase of 56 percent in the value of stocks in 1983 made it possible for speculators to pocket substantial increases in value. The evolution in the purchasing power of financial investments recorded an increase of between 10 and 25 percent, depending on the circumstances. Social inequalities thus also increased.

Finally, in the course of these 3 years inflation was certainly reduced steadily, but it remains substantial and is higher than the objectives which the government set out. Regarding the reestablishment of the foreign trade balance of France, this is no longer being achieved. The trade deficit declined in 1983, but it has reached a level of 23 billion French francs since the beginning of 1984, whereas the objective was to limit the deficit to 25 billion francs for the whole year. The French balance of payments remains in deficit, requiring us to incur further indebtedness, when the cost of maintaining the present debt is already a matter for serious concern.

#### Our Program of Boldness and Innovation

Of course, we did not discover this situation today. On several occasions during the past 3 years we warned the government and alerted public opinion with regard to measures which could only lead to a worsening of the problems. This was the case in June 1982 regarding the freezing of salaries, which we disapproved. This was the case after the municipal elections of 6 and 13 March 1983. We noted already that by abstaining from voting, part of those who had voted Left had sought to "sound a warning for the Left." This was the case after the announcement of the "austerity plan" in April 1983, which we criticized, emphasizing the dangers for employment and industrial development. This was the case with the meeting held on 1 December 1983 with the Socialist Party, in the course of which, in the name of our delegation, I emphasized that at a point halfway through the term of the National Assembly we could not hide the fact that "the Left is going through a difficult period." This was the case at the time of our Central Committee meeting held in January 1984, when we stated: "We are at a moment of crucial choices, for France and for its government."

We did not limit ourselves to criticism or warnings. We tried to take resolutely innovative action in order to keep the commitments we took in common by proposing economic recovery centered on the creation of jobs and of new wealth,

not ignoring recovery through an expansion in consumption by the people, which remains, of course, essential. And we set out the foundations of this policy with initiatives in the direction of decentralization involving new forms of management of companies. Turning our backs resolutely on any state-oriented preference, we showed that the state should not decide in place of the workers and of the people, but should rather base itself on their proposals to distribute public funds in a more efficient way and to harmonize the efforts being made to create jobs and co-operation between companies. We adopted a new approach to the problems related to the external trade and payments balances of the country, giving priority to our national structure, to the French domestic market, and to regaining this market. We showed that, far from leading France back on itself in a protectionist sense, our approach would open up the possibility of acting to resist the domination of the U S dollar at the international level and the prospect for new forms of co-operation, particularly with the Third World and the socialist countries.

This bold and innovative program, moreover, began to bear fruit. Alongside those who persist with the caricature that they make of us and of our alleged "archaic" outlook, others more seriously began to raise the question: "And if the communists were right?" They began to respond to our desire for a dialogue, a debate on these questions. This was naturally a new development and which may be of great importance if we know how to make use of the possibilities which are opening to us in this area.

#### We Have Presented Numerous Constructive Proposals

This new program was implemented constantly and at all levels by constructive and realistic proposals. For example, we expanded our analysis of the crisis, notably with the publication of the "Defi francais contre la crise" [The French Challenge to the Economic Crisis] in November 1982. We expanded the number of proposals we made, making it possible to move ahead on the path of growth, jobs, and social justice. At the time of the debate in the National Assembly on the 9th Plan in June 1983 we set out the lines of a policy of industrial renewal. We proved that the necessary modernization of our productive machinery did not imply in any way a reduction in the number of jobs. We pointed out the advantage which the full and entire use of the new rights in the various companies and the dynamic role which such use should play in economic and social plans and in the nationalized sector. We emphasized the importance for the future of the country of both basic industries, which we must preserve, and high-technology industry, which we must develop. In terms of housing, security, the framework for living, education, information, and culture—in short, in all of the areas where the present crisis was showing its negative effects—we tried to point out concrete measures whose implementation would have made it possible to improve things, in conformity with the commitments made by the president of the republic in 1981. At the same time the communist ministers devoted all of their efforts, both in the administration of their ministries as well as in their contributions to the work of the government, to ensure that a new policy would be adopted. However, these efforts were less and less effective.

#### Can the Policy of "Austerity" Improve Things?

It was therefore after noting that our proposals were not considered, after noting that no response was made to the people's demands expressed, in particular, at

the time of the European elections on 17 June, that we decided not to participate in a government which would continue and even accentuate the same, negative orientation. Of course, we did not make this decision lightly. I know that it has been imagined, in the press and elsewhere, that there were I don't know what political aims which reportedly motivated our behavior. All of us here know quite well that such things never entered into our calculations. If we made this serious decision, it was only after taking into consideration a single question: yes or no, does the policy presently being applied have a chance of overcoming the difficulties of the country and moving toward a solution of our problems? And we came to the conclusion that we could only answer this question in one way: no. No, this policy has no chance of improving things.

#### Present Government Policy Aggravates the Crisis and Will Lead to Failure

Why?

In the first place, because in the economic area this so-called "austerity" policy can only drive the country further into crisis.

In fact, with the elimination of jobs and the reductions in productive capacity it is the very potential for the creation of wealth which is affected; outlets are closed; the economy is weakened; and the resources to finance the modernization of our industry are diminished.

Certainly, capital extracts substantial revenues from such a policy. However, the intact dogma of financial profitability which leads to the search for the highest private profits in the shortest possible period of time for investment capital ends in immense confusion. Money is invested less and less in domestic production and more and more in financial and speculative operations of all kinds, in investment overseas, and in the expansion of fortunes. Why should we be surprised that, under these conditions, money is not available to finance the true means of modernization, such as research, job training and qualification, and effective investments which make it possible to produce more goods or to do so in a more effective way?

This policy does not provide itself even with the means for a solution of the economic problems which it claims it is trying to resolve before returning to economic growth. It does not provide the means of solving either inflation, which is encouraged by this capitalist confusion; or the external trade imbalance, due to excessive imports of merchandise and the continuous export of capital, while the exports of merchandise stagnate through a lack of competitiveness and a search for new forms of trade cooperation.

I might add that by harshly attacking employment and the living conditions of all salaried workers, by refusing to listen to them and to take their opinions into account, this policy contributes to breaking the essential resiliency which is indispensable to make the great task of economic renovation succeed.

Such an orientation is negative, not only from the point of view of the economy: on the political level it can only lead to failure.



In 1981, in effect, the majority of our people rejected the policy of social regression, of national decline, of sinking into crisis, which the Right was carrying on in the government. The French chose to be governed by a government of the Left so that, contrary to what had been done up to then by Prime Ministers Barre and Chirac and President Giscard d'Estaing, choices would be made to bring our economy out of a rut. They chose a government which would develop employment, promote the welfare, and ensure the future of the country. They could not have failed to note that, with the policy that was implemented, far from dealing with these problems, the difficulties were worsened, and the promises made were not followed by action. If things continued in this way, if nothing was done to bring the necessary changes in economic and social policy to reach the objectives for which the French voted in 1981, how could anyone think that discontent and concern would not continue to grow, with foreseeable electoral consequences in 1986?

### What We Want Has Not Changed

As we have seen, the decision which we made not to participate in the government does not constitute in any way a change on our part. The same reasons which led us to participate in the government and in the majority in 1981 lead us now to leave the government. What we want has not changed. As was the case 3 years ago, what we want is to work with the same determination to respond to the expectations of the French people, to work to overcome the obstacles, to resolve the problems facing the people and the country, and to use all possible means to move forward and keep the promises made. In 1981 participation in the government was one of those possible means, and we grasped it. This is no longer the case. Honesty and loyalty demanded that we draw the necessary consequences from this situation. As we said at the meeting of the Central Committee on 19 July, "We don't feel that we have the moral right to let millions of women, men, and young people who are victims of disappointments to believe that we could respond to what they are waiting for in the present government. We refuse to deceive them, as we refuse to deceive ourselves."

Perhaps we will be told: "But since you place back in June 1982 the moment when the government began to reorient its policy in a direction which you did not agree with, why did you remain in the government until July 1984?" The answer is extremely simple: we did everything that we could do and as much as we could do to contribute to ensuring that this redirection of policy which we had noted and pointed to would be corrected.

I recalled that, during these 2 years, we repeatedly issued warnings and made constructive suggestions, both in the various companies as well as in Parliament and around the cabinet table. This attitude brought us much criticism. We were accused of having "one foot in and one foot outside" the government. However, should we have followed a policy of hoping for the worst? Perhaps that would have cost us less in the elections? No one can say. In any case, this was not the choice which we made. Until the end we did everything possible and went to the limit to ensure that the experiment of a government bringing together socialists and communists would succeed. As long as we thought that our participation could have an influence, however little it might be, on government action; as long as a chance existed, however limited it might be, we continued loyally to work within the government in order to keep the promises which we had taken together.

In any case it is curious to hear those who criticized us yesterday because we had "only one foot inside" the government should reproach us today for not having chosen 2 years ago to have "two feet outside" the government. And it would not be only curious but frightening that anyone would try to have us shoulder the least responsibility for the present difficulties. Because, as we know, during the 3 years during which four communists participated in the government, the prime minister was a socialist, nine out of 10 cabinet ministers were socialists, and socialist deputies held an absolute majority in the National Assembly. If the president of the republic and the Socialist Party had wished to keep the promises they had made, they had all the means necessary to do so. And they still have them.

#### Our Departure Was in No Sense a Resignation

Having said that, our departure was in no sense a resignation, an abandonment of our position. We did not retire to our tents, waiting for the day of defeat to make points. The Right should have no illusions: it is our adversary. It should not count on any assistance from us to help it to obtain its revenge. We will do everything possible to defeat it. In the same way that participation in the implementation of a policy that was not in conformity with our objectives and the interests of the country would constitute an act of abandonment of our fundamental political line, it would be just as serious an act of abandonment to retreat into ourselves and into losing interest on the outcome of the struggle we have been involved in since 1981.

We therefore remain available to make our contribution to any measure advanced by the government which would go in the right direction. We conceived of our decision first of all as a cry of alarm directed at the entire Left, as a kind of clarification which would "assist the reflections of each person," as we said on 19 July. We strongly wish that an examination of conscience should be made, even if—I am coming to that—we see no signs of it at present.

Naturally, in drawing the lessons from these last 3 years, we should also draw up a balance sheet on our own behavior. No doubt our activity was not free of errors. There is no reason to be astonished at this. In effect we had to play our full role as a revolutionary party, express our identity, and carry out our own actions while participating in the government, under the unfavorable conditions which I have recalled above. In this particularly complex situation, the actions of the communists—of the cell in the Central Committee—could not have been accomplished without hesitations, without errors. However, after all, whether it was due to the struggle which we waged for our proposals, whether it was due to the actions of our members of Parliament, or whether it was due to the contributions of the communist ministers, our participation made it possible to record some achievements, some of which were important. During these years, and despite the difficulties which were never in short supply, we showed the maximum amount of good will in contributing to keeping the promises made, displaying total loyalty to our partners in government and a great spirit of responsibility. Finally, I think that it is the honest, united, and constructive attitude of the party while in government that we displayed and that we will continue to display that people will remember.

## The Present Situation

Now, what is the situation?

In the course of the summer there were several developments in the political situation.

[Prime Minister] Laurent Fabius confirmed in his statement of general policy to the National Assembly on 24 July his refusal to redirect government policy. Indicating that his program would give priority to "modernization," he reaffirmed his determination to "continue with the task already begun" by the preceding government by maintaining the policy of "austerity" followed by former Prime Minister Pierre Mauroy. Prime Minister Fabius said, in particular, "When austerity has already brought some results, who could imagine that the government would relax and compromise the achievements already recorded?"

The prime minister also set out a second priority: the rallying of French people over and above traditional political cleavages. He stated his intention of seeking a broad consensus on questions such as personal freedom, security, and the foreign policy of France, which should be handled, and here I quote him, "outside the field of political passions," and "above the political groups."

The opposition, as is only proper to its role, naturally voted against this statement of general policy. For our part, our group in the National Assembly abstained, as it refused to join its votes with those of the RPR and of the UDF and also because it had had no positive responses from the government to its expressions of concern and to the proposals it had made.

## Backward Steps by the Government

Since then the political debate during the month of August and the beginning of September concentrated on the withdrawal of the draft laws on the relationships between private educational establishments and the state, on the question of the referendum, and on openness and pluralism in the press.

Concerning the question of school, we had expressed our reservations about the text of the government's draft bill which--under pressure from the Right and after a series of concessions--contained several negative provisions. However, the withdrawal, pure and simple, of the Savary law, presented by the new prime minister as "an initiative aimed at calming the atmosphere," the return--with only a few amendments--to the Debre law of 1959, and the abandonment in a mass of detail of a promise made by the president to move in the direction of performing a great public service in the field of national education constituted undeniable backward steps. As is known, the communists have never been supporters of a "war over the schools." That is why the dominant question in this affair, in our view, is the concern which we share with young people, with parents, and with teachers regarding the extent of the problems affecting our educational system, and which the resumption of classes has just brought out once again. It is clear that this backward step can only make more difficult the satisfactory resolution of remaining problems. As we said from the beginning in this area, the first requirement is the development, the democratization, and the transformation of our public schools.

Regarding the referendum, the idea for which was launched in July by the president in order to give the citizens an opportunity to express their views on major questions affecting public liberties, we can see more clearly through the withdrawal of this bill to what point tactical considerations have dominated political life.

For our part, I recall that we voted against the previous question presented by the Right in the Senate and for the government draft law in the National Assembly. Naturally, one should not give our attitude a meaning which it does not have. While approving the broadening of a possible use of the referendum, as proposed by the chief of state, at the same time we pointed to the limits of this initiative and its dangers, as related to the possible use of the referendum in the sense of a plebiscite, as the history of the past few decades shows.

However, basically we might ask if the row orchestrated during the month of August was not aimed at distracting the attention of the French people from the crucial problems which are at the center of their concerns, such as employment and their purchasing power. In this sense, it was a real distraction. From this point of view we cannot fail to note that this draft bill, which certain people did not hesitate to represent as the major accomplishment of this presidential term, finally disappeared in an atmosphere of general indifference. Not even its strongest advocates, who had made a lot of noise about it throughout the summer, seemed much concerned.

Finally, regarding the draft bill on the press, it was covered in a debate in the National Assembly, in the course of which the prime minister announced that the application of this law will be put off until after the next parliamentary elections. In the course of the debate we recalled our support, in accordance with the Law of 1944, for openness and pluralism in the press. We said that the most urgent action to take would have been changing the system of providing state aid to the press, which presently favors the wealthiest newspapers. Then we noted how bizarre was the procedure adopted, which consisted of using bloc voting to speed up the adoption of a law which, it has been decided, will not enter into effect until 1987!

#### The Decline in the Role of Parliament

We see what has happened to these three questions, whose importance the government and the Socialist Party went to some pains to emphasize. This reveals to what extent the government has stepped back.

At the same time the history of these three questions constitutes overwhelming evidence of the decline of the role of Parliament in national life. In effect, for the past year deputies and senators have been trying to act on these three questions. And with what result? The draft law on education was approved by the National Assembly. The president of the republic decided that there was no longer any reason to pass the bill. The draft bill on the press was adopted by the National Assembly. The prime minister decided that its entry into force would be put off until after the next parliamentary elections, which, in fact, comes down to regarding as null and void the vote of the deputies elected in 1981.



## The Economic Situation Continues to Deteriorate

Over and above these developments, what should hold our attention above all is the fact that the economic situation in the country has continued to deteriorate and that the prospects are very disturbing.

In essence, telephone rates have been sharply raised. The threat to job security has increased. The government took advantage of the absence of the workers on vacation to ratify the layoffs requested by the management of Citroen, before using the police against them and their trade union representatives, thus returning to the use of practices which, we might have thought, were outmoded. At Creusot-Loire, in other industrial sectors, and particularly in several nationalized industrial groups, thousands of jobs are threatened. On every occasion they speak of "modernization," but they are abolishing the jobs of workers, of technicians, of office workers, of engineers, and of supervisory personnel in such modern and decisive industrial sectors as engineering, advanced mechanical industry and robotics, and insulation. In fact, in all these cases the government has supported decisions by the employers, which have been simply confirmed.

In agriculture, whereas a recovery of the average income of farmers was recorded after 1981, this year agricultural income will fall twice as much as it fell in 1983: by 8 percent. Whether the harvest will be good, as it will be for wheat, or small, as in the case of wine, the prices paid to the producers will decline, with no corresponding advantage for the consumer. Discontent is growing, particularly among cattle raisers and milk producers, who are victims of arbitrary reductions in production, when millions of children are suffering from hunger throughout the world. Growers of wine grapes are threatened with having to uproot massive numbers of vines in order to permit the entry of Spain into the Common Market. Many regions of the country and our supplies of food in the future will be affected in this way. Our farmers again are being pushed down along the road to ruin.

## A Bad Budget for 1985

The government has just made public its draft budget for 1985. It is a bad budget. Far from making a positive contribution to employment, to purchasing power, to social justice, and to the modernization of the country, in fact it will aggravate all of these problems.

This budget would worsen the problem of employment. It would cut out jobs in the civil service and in the large, publicly-owned companies, would reduce useful expenditures for the people, would reduce state investments, would place pressure on the consumption patterns of salaried workers, and would shrink both the domestic market and economic growth.

This budget would aggravate social inequalities. The government has announced a cut in obligatory deductions by reducing taxes by 5 percent and 1 percent in the special social security tax. That would make us happy if this reduction in taxes were just and effective for the mass of the workers.

In reality, that is not the direction we are moving in. This reduction would be substantial for those with high incomes and would be the answer to the prayers of the bosses for a reduction in the tax on the professions. However, in

addition to the fact that it would not concern millions of the least advantaged families, who are not taxed, the advantage would be slight for families with modest incomes. For the great majority of clerical workers and retired persons this would hardly compensate them for the effects of the deterioration in public services and the increases in the other charges they pay.

This budget would not help to build the future and would not contribute toward modernization and financial equilibrium. The ransacking of the budget of the PTT [Postal and Telecommunications Services], which endangers the financial status of this service; the total absence of measures against those who speculate on the U S dollar and favor its domination of financial markets, the continuation of privileges such as the Giscard loan, the stagnation in expenditures for education and research--all of these are significant indications.

For the rest, the prospects are poor. All the experts agree on forecasting more than 2 1/2 million unemployed by the end of 1984, a decline in purchasing power, and economic growth slowed down for a long time.

No one should therefore be misled, and we say this seriously. This policy of "austerity" is not a pause; it is a tunnel whose end we cannot see. It involves accelerating our speed along the road which the preceding government under Pierre Mauroy had previously taken. As such, it cannot fail to arouse legitimate questions--and largely outside our ranks--among all those who voted for the Left. Regarding the trade union forces, the CGT [General Confederation of Labor] and also the CFDT [French Democratic Confederation of Labor] and the FO [Workers Force], have made clear, for their part, their concerns about the continuing deterioration in employment and purchasing power.

#### Many Points of Convergence Between the Government and the Right

It is clear--and this is a point which has been noted by members of the government, leaders of the Right, and by all commentators--that the continuation and the deepening of this orientation of the government is now bringing them to note the existence of numerous points of convergence between the government and the opposition on the Right. Moreover, Jean Poperen has confirmed that the socialist government has "retreated" and that its actions are falling "short of what its promises were." As Bernard Stasi, the UDF leader notes, "on institutions such as defense policy, on the analysis of the crisis as well as on the need for austerity to resolve it, on the role of companies as well as on the excessive burden of obligatory deductions, the points of view have come noticeably closer."

There is no end to quotes we could present of the same kind: for example, de Gattaz who, in the name of the CNPF, expressed pleasure over his "constructive conversation" with the prime minister; Paul Marchelli, the president of the CGC [General Confederation of Managerial Personnel], who considers that the directions followed by the government are "positive"; or even a statement by former Prime Minister Barre, who recently stated: the socialists have "changed their initial policy, and now, when I hear them speak of austerity on television, I have the impression I am listening to myself." Clearly, certain figures in the CNPF and within the Right wing generally consider that they have a chance, with the present government, to obtain what the Right was unable to impose on the country in the past.

Must we conclude that from this "consensus" on the path to be followed there will flow a political "consensus" in the period ahead of us? Has the formation of a new majority, an alliance between the Socialist Party and the parties of the Right become a real prospect? This is what several commentators state. They mention the idea of a "new political configuration." It is true that Laurent Fabius has made numerous appeals for a "rally" of the people, going beyond the notions of Left and Right. Lionel Jospin has stated that, with the absence of communist ministers from the government, "a certain number of contradictions will be less of a burden." Louis Mermaz, for his part, has called for a new "coalition," going beyond a "majority of the union of the Left." In short, the Socialist Party is bringing forward more and more clearly the idea that the notion of a government majority made up of a union of the Left is disappearing.

#### The Position of the Communist Party

Under these circumstances it is curious that a campaign is being orchestrated to make us communists bear the responsibility for this situation. For our part, things are quite clear. There are no political acrobatics involved. We are no longer in the government and we have no part in the leadership and management of the affairs of the country. In Parliament we support what seems positive to us and we refuse to support what seems to us contrary to the interests of the workers and of the country. And in the country itself we are with the people to go forward toward a solution of our problems. This means that we are fighting and will fight firmly against the Right, with which there is no possibility of reaching a consensus.

No doubt within the RPR and in the UDF there are individuals who are prepared to draw conclusions from this situation quickly and who consider that, since the "communist mortgage" on the government no longer exists, it has now become possible to envisage a form of cooperation with the Socialist Party. However, let us recognize that such a concept will encounter very important obstacles. In the first place there is the appetite for power of the Right, which is fighting for itself, and the personal ambitions of its leaders, who have larger objectives than a simple place within the government led by Francois Mitterrand and Laurent Fabius.

In reality, everything shows that, in terms of the legislative elections of 1986, the appeals for a "softening" of the situation, coming from the government and from the majority supporting it, are based more precisely on a concern to expand the influence of the Socialist Party toward the "center" and toward what it has been agreed to call the "floating" voters, rather than a desire to reach a political agreement in the immediate future with the parties of the Right. This danger has clearly been appreciated by the leaders of the opposition, who are trying --each one according to the place which he occupies on the political chessboard --to maintain their positions within this so-called "moderate" group of voters.

#### The Policies of Laurent Fabius Continue Those of Pierre Mauroy

This evolution of the situation has already had repercussions within the Socialist Party. I have spoken of these calls for a new coalition. Other socialist leaders consider that this is a good tactic to try against us, accusing us, including in their political efforts, of being, of course, the eternal "hand of

Moscow." Others, finally, those who call themselves the "friends of Pierre Mauroy," are trying to fill in a gap to the Left, which they consider uncovered, for their party. Desiring "to restore the spirit of Epernay," they envisage for the Left a "social democratic form adapted to the realities of the contemporary world," in which the Socialist Party would join with a renovated Communist Party. That is, according to them, a Communist Party which would reportedly have renounced proposing measures to deal with the causes of the crisis, which would have broken with international solidarity, and which would have abandoned democratic centralism. All of that, naturally, in the name of the supposed requirements of the "third millennium" [after the year 2000].

Such an invitation calls for two remarks from us. The first is that this constitutes unacceptable pressure, coming from outside the party, on the debate which the communists will hold within the party in preparation for their 25th Congress. The second remark is that it creates an impasse on this essential fact: that the policy undertaken by Laurent Fabius today is in no sense a break with the policy followed by Pierre Mauroy but is rather its continuation. I mentioned just now that it was not in July 1984 that the policy of the government was redirected. It began in June 1982, when we expressed our concerns, which have continued to increase during the following 2 years and which, unfortunately, were solidly based. In this sense, even if Pierre Mauroy had not presented the resignation of his cabinet in July, everyone understands that the policy which he undertook would, in any case, have raised the question of the participation of the communists in the government. As we said explicitly to Laurent Fabius, the decision which our Central Committee made had absolutely not been taken in terms of a man but rather with regard to a policy.

#### What Is to Be Done Now?

Of course, faced with this situation, many communists and, beyond them, many workers are asking themselves: what is to be done now? Everyone predicts the failure of the Left. Is this really implied by the facts? Is it really inevitable?

To this question we answer: we don't want this failure. We will do everything we can to avoid it. And it is possible to avoid such a failure. There is still time to stop the process, to reestablish the situation by following new courses and responding in that way to the people's hopes.

We will work within this framework. That is the task to which we are going to devote all of our efforts.

I said a moment ago that our decision not to participate in the government in no way meant that we were giving up. Rather, we conceived of it as a cry of alarm to the leaders of the country. However, by this decision we also sought to issue a broader appeal to all those who contributed to the victory of the Left in 1981, to all those who believed that a new policy was going to be followed. We wanted to issue an appeal for clear reflection and for action.

#### Our Objective: a New Concentration of the Majority of the People

So that this appeal will be heard, the communists are going to renew contact with all those who voted or abstained from voting on 17 June to say to them: we have



understood your message and we want to work with you so that your message will be heard. As we said on 19 July: "We address ourselves to everyone: communists, socialists, and men and women of all tendencies of the Left and who are for progress. By rallying you together we can establish a great, united force to move forward toward the solution of the problems of the country." A new concentration of the majority of the people—that is the objective which we have assigned to ourselves.

Will reaching such an object be difficult? No doubt it will be! However, it is not too much for the forces of the people's movement. The return of the Right to power is not inevitable. Certainly, the danger is great and evident. There are these maneuvers I spoke of. There has been a broad mobilization of reactionary forces. Some of them have been radicalized under the extreme, fascist Right of Le Pen. At the same time, discouragement and the absence of prospects for such a mobilization are having an effect. However, there has been no shift of the voters toward the Right. There has been no real change in public opinion. The situation remains open: it is possible to rally the forces capable of preventing the return of the Right.

And to do that, politicians' tricks will be out of place. Creating a new concentration of the majority of the people will not be accomplished by ignoring the experience we are now having. And this experience which the people are going through shows how little weight should be attached to speeches and promises. We will not remobilize the people, we will not rally them except around objectives making it possible to engage in concrete actions and to secure tangible benefits.

That is why we address ourselves to all those who are suffering from the experience of unemployment. We address ourselves to all those who face difficulties this fall meeting their family budget, paying their taxes, and buying school supplies for their children. More generally, we address ourselves to all people, without exception, who have the will to act in all areas affected by the present crisis.

What we want is to rally all those who want to develop with us proposals to deal with the crisis and to work to obtain everything that we can. We want to rally them in the workshops, the offices, the factories, the banks, and the laboratories. We want to rally them in the neighborhoods, the cities, and the various regions of the country to obtain even limited improvements at each of these levels and at the more general level of government decisions, without choosing between one or the other.

That is our program: to turn resolutely toward the people to hear their opinions, without previously sticking labels on this one or that one; debating with all concerned to identify areas of agreement and common objectives; and defining proposals for action to mobilize people in the broadest sense possible.

Objectives for Action: Jobs in the First Place

What should be our immediate objectives?

This is not a matter of telling the workers what they should want. Our program, as I have just emphasized, is exactly the reverse of that. The fact remains that,

considering the seriousness of the problems raised in this area, jobs, and particularly jobs for young people, must be in the forefront of many initiatives.

We must say this forcefully: layoffs which are taking place in the industrial groups are not a solution to the problems raised, no more than putting people into training programs, which would only delay things for a few months.

That is why the recovery of production, which France needs to achieve, the development of research and occupational training, the recourse to new technologies, cooperation between French companies, the role of the public sector—all that constitutes a group of problems where we consider the participation of the workers in all categories is essential. In this sense we have called for a great debate on the future of the leading French industry, automobile manufacturing, on the basis of proposals which many people who do not share our opinions on many points have recognized are innovative and realistic. What is true for this industry is true for other sectors and groups. That is also why on 6 October we are holding a national meeting of workers in industries nationalized a long time ago or more recently, to promote democracy and another form of management in these companies.

#### Finance and Purchasing Power

Quite evidently, applying these proposals raises the crucial question of finance. Nothing good can be achieved if the banks continue to finance speculation and not jobs, if taxes and public assistance continue to leave the field open to capitalist confusion. Therefore, to the waste of financial resources in companies we must oppose ensuring effective use of these resources in the employment of the funds or advantages allocated.

We should also pay particular attention to the question of purchasing power, which must be defended for all salaried workers and which should extend to those with lower incomes. This is a measure of social justice and a necessity for the stimulus of our economy. In this sense, action must be taken to make up for the ground lost since the beginning of 1984. And we must take action to ensure that the income derived from capital and from large private fortunes is taxed and directed in a socially useful way toward the effective recovery of production and employment. We must also strengthen social protection, raise family allowances, the income of daily-paid workers, and the pensions of those who have retired.

#### For the Development of Our Agriculture

The decline of our agriculture is not an inevitable fact, either. Experience shows that the massive, resolute development of the activity of small and medium-sized farmers can help to make progress on important claims. Our carefully considered proposals, worked out in figures, show that these claims are legitimate and that their satisfaction is possible. Thus, we demand national action to sustain the levels of farm prices and obtain from the European Economic Community at least respect for the meager guarantees which its own regulations provide for. Moreover, these guarantees must be improved.

It is possible to obtain exemption from the additional tax on milk for small and medium-sized producers, removal of taxes on part of the fuel oil promised for the

past 3 years, and the pursuit of social measures which had been approved since 1981 and which the 1985 budget is preparing to question.

We support the view that the right to retirement at age 60 for farmers should finally be recognized, that new resources for trade cooperation can be granted, and that specific measures encouraging young people to establish themselves on the land--whether in terms of training, credit, taxation, or the purchase of land--can be approved, in order to eliminate the consequences of the decree issued last summer which limits the conditions for settling on the land.

#### For Housing and Security

Housing and the environment also constitute an essential concern for the French people, particularly those who live in the great metropolitan areas, where there are many difficulties. We need to respond to the need for new housing and, to that effect, speed up the pace of construction programs, eliminating the many examples of waste in this sector and using credits allocated by the state in a more efficient way. We also need to begin rehabilitation projects in many cities which are essential to a decent life in these times.

Finally, it is essential that construction and rehabilitation should not lead to an unacceptable increase in rents and other charges which would burden family purchasing power, which has already been undermined.

Life in the cities also poses other problems. I am thinking of the security of persons and property, the deterioration in the environment, and tensions in social relations. In these areas some of our proposals have begun to be applied, and we must continue their implementation with the inhabitants of the cities themselves, including the young people in particular.

We must extend the efforts made in terms of occupational training; the organization of leisure time, particularly during the summer; and the effective establishment of priority educational zones. We need to establish more small police posts and carry out an active policy of crime prevention.

#### For the Schools

In the fields of schools as well, many initiatives can be begun as of now, bringing together parents, workers, young people, teachers, and their organizations to take immediate action making it possible to resolve the difficult problems noted this fall, in particular measures to move toward schools where no payments need be made.

More broadly, we should resolutely turn ourselves toward the people to encourage the growth among them of a demand for a greater effort to be made in favor of educational development in the next budget. Elsewhere, we are happy to note the decision made by the FEN [National Education Federation] and its trade unions to undertake a day of action on 3 October.

Finally, we should encourage all initiatives for meetings and debates, in as realistic a way as possible, organized around the need to inject more dynamism and coherence into efforts to develop and transform public schools by concrete

actions. The national meeting which our party intends to organize on 21 October on the theme of "Training, New Growth, and the Development of Men" will constitute effective support from this point of view.

### For Democracy and Peace

The growth of democracy is also a great need for our time. We must make it possible for it to gain ground and to arrange for the concrete extension of means of expression and participation by all citizens. In this sense we must ensure the full and complete exercise of the rights of the workers in the various companies. We must act to ensure respect for the rights of the workers in the exercise of the powers of elected assemblies. We must move forward on the path of establishing the only equitable kind of election, proportional representation.

Concerning the next elections in 1985, we have said that it would be appropriate to redraw the borders of a certain number of cantons to correct existing demographic distortions. These have often been aggravated by growing urbanization. Changes also need to be made to eliminate the shameless butchery of borders which the Right had made use of when it was in power. Therefore, for us, acting openly and in a spirit of clarity, this is a matter of eliminating inequalities which affect the principle of universal suffrage and improve democratic representation in the general councils of the various departments.

Finally, we should devote all of our attention to the problem of peace. We are going to do everything we can to ensure the success of the programs which in France will mark the celebration of the United Nations World Disarmament Week. In particular we are going to ask all communists and all party organizations to make their full contribution, while respecting the already established platform, to ensure that the national initiative taken by the Appeal of the 100, the march for peace on 28 October in Paris, will be a powerful expression of the peaceful wishes of our people.

## II - The 25th Congress

### A - Reaffirming Our Fundamental Strategic Choice

It is for this session of the Central Committee, as we decided in June, to "make the necessary decisions and prepare the documents which will be submitted for discussion in the course of preparing for the congress."

### For a Fruitful, Complete, and Democratic Debate

However, first of all we must answer a prior question, asked by some party members: is it necessary or not for the Central Committee to draft a preparatory document setting out a political analysis and "line," which it will then submit for discussion by all of the organizations and members of the party? The Political Bureau considers that such a document is essential. That will set the stage and guarantee a fruitful, complete, and democratic debate.

A fruitful debate: even if, as at other congresses, it does not resolve once and for all all of the problems raised by life itself or bring an end to reflection and discussion among communists. The fact remains that important questions have



been raised for the party at present, which must be underlined and debated. We need to have the 25th Congress provide precise answers to these questions. It is the responsibility of the Central Committee to indicate clearly to the party what these questions are, in its view. Nothing would be worse than a hasty debate and formal approval with regard to this one or that one of these decisive problems which involve the future of the party, while discussion--as has sometimes happened at certain, preceding congresses--focuses on a secondary question.

A complete debate: communists, in order to discuss and decide, have the right to all available information, including the opinion of the Central Committee. It is also a responsibility of the Central Committee to make known and to submit to all of the party its analyses and proposals. On that basis each communist, each cell, section, and federation will decide for itself in full liberty. However, this cannot be done in full awareness of the situation if it does not have this fundamental element of analysis which consists of the opinion of the party leadership.

Finally, a democratic debate: decisions made at the congress will really be the reflection of all of the party, to the extent that the discussion can take place on the basis of a point of departure including precise ideas and proposals. This basis, these ideas, these proposals can be approved, strengthened, changed, and perhaps rejected--it is the discussion which will decide this. However, let every cell be assured that its decisions will be useful, that they will have an impact on the policy of the party. Furthermore, it is essential that this discussion is not too dispersed and that it is developed everywhere on a common basis. The basic orientation of the 25th Congress will only be fully the result of the work of each cell and of each communist if each one will really have made its contribution to its preparation.

#### Favoring the Participation of All in the Discussions

All of these considerations therefore make it possible to answer clearly, "yes" to the question of adoption by the Central Committee of a preparatory document for the 25th Congress. However, these considerations must also involve certain consequences for the principal characteristics of this document.

No doubt the preparatory committee which we will have to designate to edit this document should do so on the basis of an essential democratic concern which is also a concern for efficiency in the future. We should favor to the maximum extent possible the effective participation of all in the discussions, so that the decisions taken at the 25th Congress will really be the fruit of the reflection of all communists.

From this point of view we do not need a doctoral thesis or an encyclopedia dealing in an exhaustive way with all problems. Rather, we need a clear and basic text, with clear lines of direction, centered on the essential questions for debate, and which does not have to be very long. What this involves for us is to create, in effect, the conditions for a democratic debate, to permit each communist to take note of this text easily, to reflect on it, to amend it if he wishes, and to decide on its overall impact, with a full understanding and knowledge of the matter. This objective should encourage the preparatory committee and then the Central Committee to make a particular effort to ensure the readability of this document. No doubt progress will have to be made in the arrangement of the

ideas, but also in the vocabulary and the syntax, compared to the draft resolution which we proposed to the party in preparation for the 24th Congress.

### Confirming and Deepening Our Strategy

I return to the basic question, which must be dealt with even before beginning the presentation of the various proposals concerning the contents of the preparatory document for the congress. The general orientation of the text will depend on the answer which the Central Committee gives to this question. The question is as follows: should the situation in the country and that in the party lead us now to reconsider the political line—or, to use a word which often comes up, the strategy—which we defined at the time of the three preceding congresses?

Naturally, the 25th Congress could do so if it wished: it is sovereign in this regard. However, I would say at once that the clear proposal which the Political Bureau submits to the Central Committee is to confirm and deepen this strategy.

Before going further in the explanation of this essential choice, perhaps we should recall very briefly what this consists of.

### What Our Fundamental Orientation Is

What our party decided to provide itself with as a fundamental orientation during the 22nd, 23rd, and 24th Congresses was to propose to the people's and progressive movement in our country movement toward French-style socialism, whose original features would reflect the specific traditions and conditions of our country, the characteristics of the time in which we are living, and the world which surrounds us. What we decided was that this advance to socialism should be achieved, not by civil war or a phase of constraint imposed on society, but through the systematic broadening of democratic conquests and positions, under the pressure of a people's movement making up the majority of the population. We also added that this majority movement in the nation should naturally be expressed at each stage by elections and also—I might say, above all—in a continuous way throughout the struggle, in a living, multiformed concentration of the people, expressing itself in the actions of the different classes of the people interested in change.

This choice did not imply, and it does not imply, any renunciation of the policy of union or the search for agreements between the political parties. However, as we said clearly at the time of our 23rd Congress, these agreements must reflect, accompany, and support the people's movement. In no case should it anticipate the people's movement to the point of creating any illusions regarding the real situation, encourage confusion on the objectives of one party or another, or finally to dry up or weaken the struggle of the masses. In other words: there should be a union of political parties each time the Socialist Party or other political formations are prepared to work with us in a concrete way to move toward the solution of the problems facing the country. However, such a union would not lead in any case to renounce either the active intervention of the people's movement in all its forms or the activity appropriate to the party in favor of its ideas. Far from constituting an abandonment of the policy of union, this orientation would mark the broadening, diversification, and permanent consolidation of this policy. It is on this well-considered basis, adopted by our congresses, that we have worked since then.

## A Considerable Innovation

The brief review, which I have just presented, of the essential elements of our strategy shows rather well the considerable innovation which this program constitutes, compared to the political line followed previously. Not that we wanted to make a clean sweep of the past or make a negative judgment on it. No, not at all. However, quite simply, we were convinced of the extent of the changes which had taken place in reality and of the need to take them into consideration, as well as to draw lessons from experience.

As we said, in terms of our program we are basing ourselves--and this is a decisive consideration--on our analysis of the crisis and the need to provide new responses to it, adapted to the extent of the transformation in society itself. We based ourselves on the analysis, made at the time of our 23rd Congress, of the experiment we made in achieving a union in the form of a common program between our party and the Socialist Party. This was a form of union--I will come back to it in greater detail shortly--which we noted was a source of illusions, of confusion, of setbacks. We were thus involved in making up for ground lost in the field of strategy which occurred, beginning in the mid 1950's, and which we analyzed at the time of our last congress.

Through a paradox which is only apparent, it was precisely in this period of creativity and renewal that our party experienced a noticeable loss of its electoral impact. In this connection we owe it to historical truth to say that the loss of ground by the party did not begin in 1976 with the 22nd Congress. Certainly, this was a tendency, with intervening fluctuations, which marked the whole previous period after 1956 and which, in particular, was expressed in 1973 and 1974. That was after the signature of the common program which at the time strongly occupied our attention. That said, this recent phenomenon has continued. We ask ourselves about this and, on that basis, we might be tempted to renounce this new strategy.

I have already said that we do not agree with this idea. Nor do we agree with the idea that, from the moment when we correctly decided on the line which should be followed, it necessarily would be immediately successful. All of that consists of views which are too schematic, too simplistic.

How could we fail to see that it is through a true process of change in which we are now engaged, a change in our policy and our practices which we consider necessary to accompany and gain control of changes in society, in order to change society itself? How could we fail to see that we have to accomplish this task, not in the abstract, in an antiseptic atmosphere, but in the framework of an extraordinary confrontation of classes and, although the past still weighs heavily on us, under the conditions of our struggle today?

## Previous, Negative Tendencies Which Still Persist

We had said all of that at the time of our preceding congresses, and at the time of the Central Committee meeting which followed the 1981 elections. We spoke of action over the long term. The fact that we said this, that we had begun a new

phase of our activity on a correct basis and with a clear view of the situation --could this protect us in advance against the persistence of prior, negative tendencies? No.

Whether it involved awareness of the nature of the crisis and of the means to apply to open up a positive issue; whether it involved the evaluation to be made regarding the will and the actions of different organizations of the Left; whether it involved the perception of our ideas and objectives concerning the future or, in other words, the type of society that we wished to see created; whether it involved action by the workers and the occasional wait--if not to say often a passive wait--for a solution of the problems only by the government; we see very well that these tendencies have continued to make themselves strongly felt.

It is very clear that the communists have not been unaffected by all of that. We can understand, under these conditions, our difficulty, the difficulty of the entire party, in overcoming obstacles and in making progress in our political life.

In this connection we must also see--and this is important--that overcoming these negative tendencies of which I was speaking a moment ago involves not only action by the party but also the experience of the people themselves, as action and experience must be combined. There is no way of avoiding this.

It is true that we might feel some bitterness in noting that this experience has led a certain number of our voters, at the time of an election, to assign us some of the responsibility for their disappointment and discontent. Even if we should reflect carefully on what we have said and draw the conclusions from this process, as we have begun to do, shouldn't we ask ourselves if, basically, we could have avoided this problem, since we repeatedly told people for the past 25 years that a common program and a government of the Left with communist cabinet ministers would resolve their problems--which is clearly not the case. And also to the extent that it would have been unjustifiable and unjustified to refuse to participate in the government in 1981, despite a context of difficulties, but when, during this period, our appeals for the intervention of the people were hampered by the limits of their experience, by the limits of the progress made in following the political practices which we were recommending.

I have said that the task facing us is of such breadth, of such complexity that we must never fall to correct defects and inadequacies, and our congress will help us in this respect.

#### The Direction of the 25th Congress

However, the Political Bureau considers that the analysis which can be made of the evolution of things and of the situation today cannot and should not lead us to abandon the line defined by our preceding congress, whether by taking refuge in sterile and dry isolation or by giving in to pressures which are aimed at making us renounce our fundamental objectives, our independence of thought and of action. This could deprive the French workers and progressive movement, led by a modern, revolutionary party, without which there will be no socialism in France. Without giving in to confusion, impatience, and the illusion that we might be masters of heaven and earth, and also without backing down, due to the demands resulting from life's developments, we therefore propose to submit to the party a document which



will aim at making the 25th Congress into a congress for the confirmation and deepening of the strategic orientation adopted at the time of our 22nd Congress. This will be a congress which will continue the reflective effort which the communists have begun on the 25 year period which we have just lived through, and to which will now be added the experience of the people. This will be a congress which, through the approval of new initiatives, will mark the development of a tenacious effort to implement this new program in action and make it better understood. In that way we will be able to respond increasingly effectively to the concerns and hopes of our people.

## B - The Contents of the Preparatory Document

I now come to the essential ideas which this document could contain. It should be understood that this is a matter, for the moment, of the general orientation, without going into the details.

It would be useful for our document, in a kind of introductory chapter, to go over an analysis of the evolution of the situation and of party activity since 1981, such as I proposed in the first section of this report.

The presentation of the facts, which I will not go over again, above all should lead to stating with force that we are not resigned either to the disappointment of the people's hopes in 1981 nor to a step backward by our party. We are holding our congress in an offensive and open context, ready to fight to rally the people's forces capable of imposing the achievement of the objectives of change, in order to assert the capacity of our party to work for this rally of the people with imagination, objectivity, and a combative spirit.

Naturally, that presupposes a process of reflection and providing solid answers to the problems facing us. This would lead to an examination of these problems.

## The Fundamental Problem Facing Us: the Crisis

In proceeding to such an examination, the document should try to throw light on the major problem confronting us: the crisis. Let us be quite clear about this: this will not involve reducing the analysis of the difficulties we are encountering to a single problem. However, it is also necessary that the discussion which we are going to have in the party in preparing for the 25th Congress should deal with the essential matters, in a detailed way.

Now the essential problem is that France is going through a deep crisis and that this crisis has grown more serious since the 24th Congress.

At the time of that congress and in the lecture, "Le defi Francaise contre la crise" [The French Challenge to the Crisis], we presented an analysis of the origins and the development of this crisis, an analysis which the communists have been engaged in since the latter part of the 1960's, and which leads to considering the international dimensions of the phenomenon. We underlined the fact that, far from being limited to the single aspect of the economy, this crisis affects all aspects, all areas in the life of our society. We showed how, in the course of one generation, our country has been profoundly changed; how many new demands and aspirations have emerged; why, thanks in particular to rapid scientific and

technological progress, possibilities for action and for the mastery of nature unparalleled by comparison with those which previously existed are now open to the men and women of today. I will not go back over the details of these analyses presented to the Central Committee.

And we also showed that these changes had taken place in the framework of a certain system, capitalism. Thus, the logic of profits limited, distorted, altered, and even turned against itself the real progress made, converting it into the instrument of new oppression and thereby thrusting our country into a crisis.

#### The Aggravation of the Crisis Since the Beginning of the 1980's

This analysis, made 3 years ago and which we have since continued to develop and translate into concrete propositions, is fully confirmed by the facts which we can see today, while the crisis of the capitalist system has been considerably aggravated since the beginning of the 1980's. The preparatory document for our congress should no doubt show this by several examples. I will only refer to one example, at the center of the political struggle: the modernization of the economy and of society.

Emphasizing the immense technological progress which has been made has become commonplace. In the future it will be possible to produce more and better. Another aspect is that it has become possible to make enormous savings in the use of materials. The speed of operation of machinery is much greater, and the time required to shut down machinery to make repairs has been substantially reduced. Savings have become possible in the production of energy and raw materials. This kind of progress will also make it possible, while still increasing production, to have an increasing amount of leisure time available, which constitutes a great and legitimate aspiration. The full and complete application of the progress made will require a much greater use of man's capacities for reflection and creativity and workers who are more highly qualified, able to work on their own, and who can function in a cooperative and responsible way. The application of this kind of progress will require jobs and salaries properly reflecting the work and training required, in order to create the resources necessary to finance all of this development and provide outlets for new products and services.

Now, every day brings us evidence that nothing like all that has happened. The monopoly of management based on the criterion of financial profitability is crushing the potential for growth. To turn these changes into profits, jobs and capabilities considered outmoded are being destroyed. Enormous amounts of capital are being wasted for small results in terms of new products and procedures. Expenditures essential for research and job training for all workers have been rejected. In short, the crisis has grown deeper. And we can see these cases of widespread muddle in efforts made which go against good sense in economic and human terms. This is modernization used against jobs as an unavoidable necessity, when what the future of the country calls for, what the crisis itself calls for, is organizing and channeling these social and technological changes into jobs and the creation of new wealth.

## What the Crisis Calls for: Changing Society

This is clearly an essential political question. The preparatory document should seek to prove, from this point of view, that although the crisis has manifested itself by bottlenecks, conflicts, and difficulties--in short, by negative features--it is not limited to that. We said this at the 24th Congress: "The crisis is a fundamentally contradictory reality." It is: "the sharpened form of conflict between the new, emerging forces and the old forces which determinedly refuse to give way to them." In this sense, having an "all black" concept of the crisis, even if this aspect is the most visible, involves losing sight of what the crisis contains in terms of possibilities, demands, and new aspirations, on which action against it can be based. What the crisis calls for are basic reforms and essential changes in the economic, social, and political fields. It calls for an effort to renew social relationships and to develop new values. In short, it calls for the development of a new society, which we call French style socialism.

Here I would introduce a section in parentheses: I recalled just now that the crisis does not affect only the economy. The crisis involves the entire French social structure. This is a point which we must emphasize. For example, we all feel, in our daily lives, how much certain consequences of the crisis on social relations, behavior, culture, and mind sets can handicap an understanding of our policy. On this problem--and there are others like it--we must deepen our thinking.

## Clarifying the Nature of the Political System

The same thing is also true of our analysis of the institutions of the Fifth Republic which undoubtedly require more of our attention. For, after 26 years of existence, these institutions, whether we like it or not, have considerably affected the battle. At the time of the Central Committee meeting on 25 June 1981 we were accused of having "undoubtedly underestimated the effects of this system on political behavior and on the struggle to clarify its harmful aspects." And we added: "We must return to this matter and deepen our analysis." The time has come to fill in this gap.

For it is urgent to clarify more precisely the exact nature of the political system in which we are operating. The Constitution of 1958, and more precisely the interpretation given it in practice since the 1962 reform providing for the election of the president of the republic by universal suffrage, has had many consequences at all levels in the life of the country. These consequences involve the almost monarchical nature of the administration, exercised by a single man. The cabinet sees its status reduced to that of an executor of the political decisions made by the chief of state. These consequences involve the life of the elected assemblies, and the National Assembly in particular, whose role has been practically reduced to zero. There have been consequences for the political debate, which has been particularly impoverished because it essentially revolves, every 7 years, around a few figures whom the media present as being of presidential timber. There have been consequences for electoral behavior, since the institutional structure leads automatically to a kind of bipolarization which is deadly for a pluralistic political society. Finally, there have been consequences for the civic spirit of the French people, to whom "politics" may appear more and more like an area totally foreign to their concerns.

## All of Public Life Must Be Democratized

From this point of view we should undoubtedly draw the attention of the party to the dangers of the campaign which is presently going on--particularly in LE MONDE--on the theme of a "rejection of politics." By means of articles, polls, and political commentaries the idea is suggested that the political debate is allegedly empty, that the parties are reportedly useless, that politicians are allegedly liars and that, in short, it would be better to replace the elected representatives of the people by technicians.

Of course, we have no reason to defend the political games which we have never played and which the French people legitimately reject. However, that is not what this campaign which we previously referred to is all about. What this campaign is about is a direct attack on democracy in our country, against the elected representatives of the French people themselves who exercise the powers of national sovereignty. This campaign is against the political parties which express the varied opinions of the citizens and contribute to the information of the voters. Suppress the assemblies and the parties, end elections? Replace them by simple technicians? A question remains to be asked: who will control the administration and exercise the powers of government? Who, if not one man? The state will be he and he alone. That would no longer be even constitutional monarchy but absolute monarchy.

We have gone much too far in this direction in our country to take even one step once again in that direction. What is necessary and essential is, on the contrary, to adopt measures for the democratization of all of public life.

Of course, these remarks, concerning a particular but essential aspect of the crisis only constitute the initial elements, which the preparatory document should develop further.

## The Major Political Problem Facing Us

Beyond that, we should note, as I said a moment ago, that this question of the crisis constitutes the major political problem, and an absolutely decisive problem, which faces us. We must be aware of it. We will not be able to devote ourselves rigorously either to the objective of mobilizing the people to go forward toward the solution of our problems or to the objective of "ensuring" that our supporters vote communist without carrying on a permanent ideological and political battle on an exceptionally large scale to help the people to understand the nature of the crisis. We must act in such a way that the answer we give the people becomes the common good sought by millions of men and women.

## 2 - Confirming and Deepening Our Political Orientation

We have this answer: it is French style socialism and the democratic way to advance toward this very democratic and self-administering socialism.

We propose here to submit to the party in the preparatory document the choice which I presented a moment ago: rejecting any questioning of this fundamental political orientation adopted by our preceding congresses, as well as deciding to confirm and deepen this orientation.



Naturally, that requires recalling the essential facts: saying what this orientation is and what it is not. For we see clearly that certain important decisions related to this new strategy, such as the abandonment of the dictatorship of the proletariat, the reference to Marxism-Leninism, or even the notion of a democratic advance to socialism, have at times been interpreted as renunciations of the revolutionary identity of the party, as the acceptance of the false idea of a regular, gradual evolution to socialism without abrupt developments and without a struggle. This would imply the systematic implementation of summit agreements with other parties of the Left, without a careful regard to their contents. Those are merely mistaken interpretations of a correct policy and proper decisions.

### Rejecting False Interpretations of the 24th Congress

We think that the preparatory document should, from this point of view, reject false and demeaning interpretations of the 24th Congress, which have tended to equate what we have called the democratic way with just the union of the Left or again those interpretations which have represented our participation in the government or in the government majority as inevitable and definitive consequences of our strategy.

These are also major errors. Our strategy has one goal: changing society, or "the abolition of domination in all areas of exploiting capital," as we said at the 24th Congress. If there is in fact one "inevitable and definitive" consequence of this objective, it is the following. Doing everything possible for us to come closer to it. Doing nothing which can hold us back or turn us away from it. This is the democratic way: neglecting no opportunity, however small or limited it may be, to improve things, moving toward the solution of our problems, and taking a step toward the solution of the crisis. How could we contribute to making progress toward changing society if we participated in a government which does not improve things but rather worsens them, which does not reduce the dimensions of the crisis but adds to them, which does not advance but retreats?

There is and there will be no advance possible without "a bitter class struggle," in the words of the 24th Congress. The path which we have chosen is the path of a struggle. We said: "Changes will not take place without the broad, conscious, determined intervention of our people."

In the same way we say: there is and there will be no advance possible without unity of action. The democratic way is the way of that kind of union: the rallying of the immense majority of our people whose social situation, working conditions and life, and fundamental needs and interests call for changing society.

### The Consequences of Our Delay in Defining French Style Socialism

However, having recalled that, we might say that this involves above all the matter of presenting in a well-argued way the basic reasons for our choice and the difficulties which we have encountered.

I have just shown that the crisis in which we find ourselves is a crisis affecting society. It is on the basis of this analysis and of this characterization of the present crisis as a crisis of capitalist society today that we have undertaken and prepared our views of French style socialism and decided to place it at the

center of our general activity. Each of the essential features of this new society constitutes a response to the essential problems which the crisis has brought out and carried to maturity. French style socialism, as a whole, is the sum total of the changes which call for the solution of the problems before us today in all areas in the life of French society.

This type of society, like the program which leads to it, is new, both in content and in timing. At this point in the document we should go over the strategic leeway accumulated by our party which I mentioned a moment ago.

While the evolution of the world and of our own country was placed on the agenda, at the end of the 1950's, the definition and concept of a prospect for the march to socialism and of a socialism responding effectively to the general conditions in a country such as ours, at the time in which we live, we had to wait for 1976 and the 22nd Congress to begin this task to the fullest extent and to complete it satisfactorily. This is so, even though it is true that several steps in this direction had been taken in the previous years, particularly with the "Champigny Manifesto" in December 1968.

How can we deny that this amount of leeway has not had and does not have today an influence on the thought process and activity of communists—I might say even on their state of mind? And in fact this does not involve only communists but, more generally, the audience to which we direct ourselves and who need time and experience to appreciate what we are saying. This is all the more the case since our adversaries are not making our task any easier.

It is clear that the leeway to be made up in measuring the impact of this French style socialism, in impregnating our daily work with its major ideas, in enriching it without interruption by contact with life, complicates and aggravates our difficulties concerning the understanding of the crisis and the solutions to it.

#### The Reasons for Our Delay in Proposing an Amended Form of Union

However, the crisis and the new situation also called for the definition of new ways for ensuring the progress of the people's movement and new forms of union and of concentrating our forces. Now, a considerable amount of strategic leeway has accumulated, whose consequences we must presently try to measure, which are still strongly felt today. I say "presently," because if, at the time of our 23rd and 24th Congresses, we were in a position to begin consideration of this subject, it is time with the 25th Congress in view to complete the analysis.

We said that, beginning with the middle of the 1950's, the question of a major social transformation has been on the agenda. We did not appreciate this. However, what we were confronted with--and directly, beginning in 1958--was the need to expose the power of capital as a political issue.

That is what we did. The establishment of the Fifth Republic in 1958 seemed to us--and correctly, at the time--as a serious and long-lasting defeat for the people's movement. The origins of the new regime, in a kind of coup d'etat in the context of the Algerian War; the personal character of the administration, accentuated by the success of the referendum and plebiscite system; and the isolation of our party which, as such, had been the only one to oppose the change in

the political system--all of these made us fear the worst. Let us recall it: at one time we even issued a warning against the "fascist" danger.

Consequently, not only were we not in a position to propose an original kind of socialism and the path appropriate for it, but the events which were unfolding led us, in defining our political orientation, to turn our eyes toward the periods when the people's movement successfully faced up to assaults from the authoritarian Right. We thus--we could almost say spontaneously--held up these periods as "models." And we reactivated the forms of political union between parties of the Left which at the time averted the threat of fascism and made possible historic achievements by our people.

#### The Common Program: a Form of Union Which Contained the Present Problems in Embryo

From October 1958 to the very day following the referendum--when the Socialist Party was a participant in the structure of capitalist power--the Central Committee of our party emphasized, and I quote: "We must think of the eventual preparation of a common program, involving the broad lines of an agreement among all republicans."

For 14 years, from 1958 to 1972, we thus made all of the work of the communists "turn" around this objective. We expanded our efforts and waged a tireless battle to ensure that this idea was solidly implanted among the masses. Year after year, the conclusion of a common program of government had become the major question in the political debate. The Socialist Party, which was opposed to it, had seen its influence reduced to 5 percent in the 1969 elections, while our party was born along by the current of unity. All of that only encouraged us in continuing with our program. That was when we came to the signature of the common program in 1972 and when we went through all the experiences that followed this development.

Certainly, we cannot lose sight of the fact that this battle made it possible to promote certain ideas, to limit the appetites of the capitalists and the Right, and to record a certain number of political, social, and economic achievements.

However, at the same time, we need to consider to what extent this kind of union contained, from the very beginning, the embryo of the obstacles, the handicaps, and the serious difficulties which emerged little by little, ending in the situation which we have before us now.

#### The Problem of Solutions to the Crisis Was Incorrectly Stated

Let us return to the crisis and to the struggle for a real solution, the need for and importance of which I recalled. Certainly, we felt the need for a real solution, beginning in 1972. And that is why we insisted and were successful in ensuring that the common program would include basic reforms raising the question of capitalist domination. However, at the same time, we suffered from the illusion that the Socialist Party was really in favor of basic reforms and a true break with capitalism. The feeling had spread that the question of solutions to be applied to the question of the outcome of the crisis had thus been resolved and that we could avoid fighting a political and ideological battle on that ground. Must I say that this naturally was not the case?

Unfortunately, we see this only too clearly now, and we must say that, on this central question we have lost ground and that the idea that this was one of the hazards of the situation has made some progress. And that is the view, above all, because the Socialist Party which, only yesterday, subscribed to a program attacking the policies and structures of capitalism, today has renounced this program and is participating in the spreading of erroneous and pernicious ideas on the inevitability of the crisis, of unemployment, and of austerity.

Furthermore, although this involved bringing forward ideas concerning real, anti-capitalist changes, adapted to our country, which needed to be implemented, we ourselves had a tendency to "sweeten the dose," as it were, to make the common program acceptable to the Socialist Party. We imagined that there were intermediary stages. We rejected certain new goals implying radical changes. Isn't this the way to understand our difficulty in considering certain aspects of the movement of May 1968 and in drawing all of the potential political and ideological benefit from them? We think so.

We no doubt saw the dangers. And we increased the number of articles, proposals, and appeals we made, for example, with "Le defi democratique" [The Democratic Challenge] in 1973, our efforts from 1977 to 1981, and "Le defi francais contre la crise" in 1982, which provided a suitable, overall response.

The fact remains that, to the extent the feeling had become established that an agreement reached at a summit meeting on the common program had resolved the problems, we could not and we did not succeed in swimming against the current. The problem was incorrectly stated, incorrectly resolved, and we are now in difficulty.

#### The Common Program Favored a Waiting Attitude

In another area, we said that the broadening of democracy, in the widest sense, must necessarily figure among the solutions to the crisis. That is, both on the economic, social, and political levels. A new democracy and a new republic needed to be found.

However, to move forward with this question, to make this idea succeed, it is necessary for the forms of the social movement themselves to be impregnated with it. How can we move toward decentralization and self-management through the systematic delegation of power, from the bottom to the top, through recourse to a supreme savior?

Now, it was precisely at this point that the common program of government, as a summit agreement between the Socialist and Communist Parties, nourished the idea that the solution of our problems could come from above. It encouraged an attitude of more or less passively waiting for this solution. Not to mention that the fact of concentrating everything around an alliance of the parties of the Left excluded political forces and people who, for various reasons, were not included in these parties, when they could have taken their place and assumed responsibilities in a more flexible and diversified movement not exclusively directed toward the electoral battle.



There also we saw the danger and issued numerous warnings. However, their impact was canceled out by the ideas that the form of union already achieved itself had engendered. Didn't we note, particularly after 1981, the passive and illusion-filled attitude of too many workers of waiting for a solution to their problems merely because of the existence of a government of the Left?

#### Support for the PCF Was Based on Fragile Foundations

Finally, there remains--and this is not the least important aspect--the problem of the PCF and of its influence, which was not and which is not separable from what we have just said.

At the very time when there was a need to develop intensive reflection and activity within an independent and innovative party, concerning new solutions necessary to deal with the crisis, at the very time when it was necessary to stimulate the development of the people's movement in the broadest kind of union--including, of course, with the Socialist Party, when that was possible, but on a basis which respected the reality of things and, by the same token, our identity--the common program allowed us to believe that the same will to change existed in the Socialist Party and that there was total agreement on the contents of the changes to be made.

In fact, during the whole previous period, from 1958 to 1972, the acceptance or the rejection of a union through a summit meeting of the parties had little by little become the primary and even the sole criterion of support for the Communist Party by millions of people. Thus, during these 14 years, we succeeded in maintaining or slightly improving our electoral performance--however, without ever reaching our electoral level of the years prior to 1958. Nevertheless, we did this on a fragile basis subject to changing circumstances. Basically, by so narrowly linking the influence of our party to the dynamic circumstance of the union of the Left, we made this influence depend on the behavior of the Socialist Party for or against such a union.

#### The Objectives of the Socialist Party

The Socialist Party, and particularly Francois Mitterrand, made use of all of the benefit which could be drawn from this situation to achieve their fundamental objective: the weakening of the French Communist Party. This was the meaning of the Socialist Party's Congress at Epernay in 1971, which, marking a break with the previous attitude of that party, decided to enter into negotiations with our party for the conclusion of a common program. Is it necessary to recall before the Central Committee that immediately following the signature of this agreement Francois Mitterrand explained in Vienna, speaking before the Socialist International, that the reason for his acceptance of the common program was, and I quote: to "re-build a great Socialist Party on the ground occupied by the Communist Party itself, in order to prove that, out of 5 million communist voters, 3 million could be persuaded to vote socialist"?

By signing a common program which appeared like a collection of all of the programs for change to many French people, who, in addition, did not read it, the Socialist Party at the same time heavily mortgaged its future, which made its attitude of encouraging divisions weigh substantially on us. In the eyes of

millions of workers it transferred the ground on which its differences with us could be played out. The question would no longer be the union of the Left, which had already been created, nor the contents of the program for change, which then seemed like a question which had already been settled.

Henceforth, taking into account the institutional context, which favored the bipolarization of political life to our detriment; taking into account feelings of anti-communism, which went through a new period of growth after this time-- particularly with the campaign carried out by imperialism on human rights--we can understand that the logic of the common program was able to operate fully in favor of the Socialist Party and to our detriment, once the agreement was concluded.

Furthermore, during the first rounds of the three presidential elections of 1965, 1969, and 1974, by not defending the idea of the imperative need for a communist candidate, we contributed to the idea taking root--encouraged by the Socialist Party under the idea of rebalancing the situation--that the withdrawal of the Communist Party to the benefit of the Socialist Party was necessary for victory. Perhaps some people will say: "After all, it was true. We saw this in 1981." They would be very imprudent to say this because, without making excuses for anything that we did in 1981 and afterwards, we could answer them, even so: Oh victory, where are you today?

This critical view which we are taking of this period does not mean in any way that we wish to escape from our responsibilities, shifting them onto Maurice Thorez and Waldeck Rochet, comrades who preceded us and who played an eminent role. Like the leaders of the party, like the Central Committee, we consider ourselves on the contrary as accountable for all of the actions of the party.

### The Consequences Today

To say that all of these dangers escaped our attention would not be in accordance with the truth. I have already demonstrated this, and the list of initiatives we took could easily be expanded.

However, in our efforts there was a fundamental handicap which ensured that we would not be able to overcome this difficulty.

We sought a solution and found it in the definition of this view of French style socialism and of what we might appropriately call our strategy. We had begun to work on this basis during the course of the last several years.

As I was just saying, it may appear paradoxical that it was precisely this period during which a certain weakening of our party occurred. Naturally, the analysis made at the time of the meeting of the Central Committee on 26 and 27 June 1984 showed that it is not possible to equate our serious electoral decline in 1981 with what happened to us in 1984. Neither the nature nor the significance of these two votes in fact is analogous. The poor performance of our party on 17 June 1984 is explained first of all and in particular by a massive abstention movement which affected all of the parties of the Left, and, let us recall, the Socialist Party even more than us.

This analysis of the 17 June elections, which is a fundamental review, cannot, on the other hand, excuse us from answering the crucial questions which this situation raised for us. This situation understandably raised questions and even led to bitterness, a response which, as the Central Committee resolution of 27 June indicated, may be found "in the general reasons which led to the setback of 1981 and which were the central feature of the work of the 24th Congress."

The social fabric only records and reacts to the consequences of changes of direction after the passage of often considerable periods of time. This is especially the case when fundamental choices affecting our existence, our thoughts, and our behavior are involved.

There is no denying that the consequences of the previous orientation continued to weigh heavily on our political efforts and on our voters during the period which we have just been through. I showed this in discussing our strategy and I will not go back over it. However, it would naturally be necessary to be clear about all of that in our preparatory document.

On the basis of all of this analysis, we propose to draw the following conclusion: we reject the idea that the strategic orientation defined by our preceding congresses should be questioned because of the evolution of the situation in the country and in our party. Quite to the contrary, this orientation seems to us to be more valid than ever, due to the deepening of the crisis, the demonstrated ineffectiveness of solutions which avoid touching the structures and mechanisms of capitalist domination, the aspirations of the new movements which are flourishing with the evolution of society, and also out of the rich experience accumulated since 1981. We even say that out of all that a new situation can emerge, which will form the new bases of future progress. We confirm as a general line for activity within our party the struggle to move toward French style socialism by means of a democratic, self-managing path. We have decided to deepen this orientation by continuing the work now under way to propose solutions in all areas and to make choices inspired by our vision of the future, taking the new initiatives which life itself calls for.

It is on this basis that the proposals which I am now going to present to you are founded.

### 3 - Building a New Majority Concentration of the People

The analysis of the nature of the crisis and of the conditions for its outcome, and then the foundations of our orientation and the obstacles which we have encountered in applying it should lead us, in the third part of the preparatory document, to emphasize the central objective which we should from now on assign to our efforts to move forward: a new majority concentration of the people.

I think that, in drafting this preparatory document, we should be clear about the fact that this objective constitutes a major initiative for our party, marking a clear break with the calls for resigning ourselves to inaction which come from all the other political groups. This will offer us a credible, realistic prospect which will unify the people's progressive movement. To all of those who are encountering difficulties, who are asking themselves about the situation and who think that there is something to be done against the crisis, the French Communist

Party says: there is an outcome to the situation which you know of, and you hold the key to it in your hand. You are not alone: the problems which you are encountering are also being faced by millions and millions of people in our country. These problems have solutions. Let us search for them together, discuss them, and find a basis for action on a case by case basis. Let us act together, and we will move forward.

Of course, we have no illusions that it will be enough to call for such a mobilization and have this people's concentration take shape. We are in a period when discouragement is far-reaching, when our party is weak, when our people are finding that it is not enough to gather together in a majority to improve things. We did this in 1981. However, our initiative is based precisely on this situation. Our conviction is that it is an appropriate response to the situation. We are determined not to see the people's hopes go astray in new impasses. And to do that, to build a people's concentration which will hold together effectively and which will go far, we want to take into account all of the lessons from the experiment we have lived through.

#### Drawing Lessons from the Experiment

Now, what are the lessons of this experiment?

First, a summit agreement whose conclusions and implementation are not supported by the participation of the people will remain fragile. On the basis of the evidence, this was the case with the June 1981 agreement on forming a government. a government. The agreement was prepared on the basis of the promises of the newly elected socialist candidate. The agreement was not the result of action by the people's forces in terms of common objectives. What we noted in the period which has been called "the state of grace," is that an agreement of this type can arouse a great many, an enormous number of hopes. However, on the contrary, it does not encourage the mobilization of the people. In the same way it is subject to all kinds of subsequent questioning.

And the second lesson from this experiment is that, in order to make progress, the preponderant emphasis should not be placed on agreements between political parties. The people's movement cannot be confined to the role of an instrument: of pressure, before the agreement is reached, to make its conclusion possible; or of support, after the agreement is signed, to encourage its application. This is because, in a definitive sense, this concept, the progress of the rallying of the people, and the achievement of the necessary objectives are conditioned on the will of the Socialist Party to hold the engagements which it assumes or to refuse to do so. As we see now, this is a condition which makes forward progress extremely uncertain.

Let everyone understand me well. The fact that the communists hold this view does not in any way mean that they consider that the union of the Left should be decently buried and that agreements between political parties no longer have any point. Absolutely not. We are and we will remain devoted to the union of the Left. We are totally available to take action in all areas with the Socialist Party and with every other formation of the Left, when an agreement is possible. For example, in each regional council, each general council, each municipal council where there is a majority belonging to the union of the Left we are, of



course, going to continue, with all of our united good will, along the path of co-operation undertaken to achieve the objectives agreed upon on the basis of programs ratified by the people. And I repeat once more, as I said on 19 July, that with regard to the government "we remain entirely available to favor and support any measure which moves in the direction of the commitments made." Those who look for any reconsideration of the union of the Left in the various positions we take --or even an abandonment of this program--will be disappointed.

Having said that, we must draw the lessons learned from this experiment. And that is what we are doing by opening up the possibility for a new majority concentration of the people.

#### No Prior Conditions or Superficial Examinations of the Problem

The concentration is a new development, because it remains to be organized. However, above all it is new because we must draw all of the consequences from this fact: we will not move toward a solution to the crisis or toward really carrying out the necessary changes in society without the active and dynamic participation of millions of men and women. We must therefore have done with the old concept which tries to turn the most diversified forces into simple assault troops which assemble together while the leadership of the movement is supposed to be exercised elsewhere. At any given moment it is the people themselves and not the party leadership who must decide the why's and wherefore's of this concentration. This assumes new forms of leadership and direction of this political force, making it possible for all of the groups concerned to be fully a part of it.

In all areas of social life serious problems have been raised today. In all areas of social life, therefore, it is possible to reflect together and to identify solutions. So let us do this and act together to apply the solutions. Clearly, that does not mean in any way that all of those who make their contributions to this effort will agree on everything! But why should such differences in points of view or such differences of interest in other areas prevent us from meeting together and acting against the crisis, when an agreement is possible? For joint action there is not and there cannot be any previous assumptions or superficial examinations of the problem.

Let us say it clearly once again: we are not inviting to this concentration only those who share our main points of view. We want to build a majority concentration of the people. Its foundations are therefore not all of our policies, taken together. Rather, on a case by case basis, each constructive proposal, even those which are only partial solutions, constitutes action against the crisis. For, as we explained it at our preceding congresses, each result achieved and each success, however limited it may be, contributes to the same movement to improve things and to spread an awareness of the real causes of the difficulties and the possibilities for moving forward.

#### A Program Which Excludes Any Narrow Point of View

This program for taking the offense excludes--and everyone should understand this--any withdrawal within ourselves or any narrow point of view. For example, to the engineer who, in his company, defends the logic of capitalism because he was trained in this direction but who, on a question such as employment, presents a

proposal aimed at solving the crisis, we must answer: "Good! We agree on that point. Let's join together to have it approved." In the same way, to the middle level manager who is far from supporting our ideas but who is worried about the future of his company and may share our views on this or that solution we must open wide the door of united action on this point. In this way it will be possible to move forward, together, in the right direction. And perhaps this middle level manager will be led to observe the seriousness and credibility of the proposals made by our party. This will contribute, much better than 20 speeches, to tempering his anti-communist point of view.

In effect, we must not have the illusory idea of carrying out a people's concentration which is uniform, undifferentiated, and with its boundaries fixed once and for all.

We know that all social categories are far from having the same perception of the facts, the same concepts, the same beliefs, and the same interests. We know very well that even within the world of the workers, even within the working class, there is a whole range of the opinions which we find in society in general. Why should that lead us to set out prior limits for such an initiative aimed at unity and action, decreeing in advance that this or that group of workers or voters cannot be persuaded to support such a concrete program of resistance to the crisis? We made this statement at the time of the 24th Congress: the unifying objectives which we propose to our people "constitute so many answers to the deepest aspirations, whether explicit or implicit, of the immense majority of our people. These objectives make it possible to envisage the shape of a people's concentration which goes well beyond"--I repeat, well beyond--"the political majorities which have existed up to now."

#### A Multitude of Individual Initiatives

We must be convinced of this and draw the necessary conclusions for ourselves: the new majority people's concentration which we want to build will be forged in the course of preparing a multitude of individual initiatives, making it possible to get millions of men, women, and young people moving on the problems which concern them and which lead them to join together. Naturally, the preparatory document will have to specify the shape of this concentration, bringing out the most recent changes among the workers and among all of the active forces in the country which we propose to bring together.

The implementation of such a program should lead us to reconsider a certain number of practices and habits and to give new vigor and a new style to our mass activity in party organizations and also to the activities of communists in trade union organizations or in the activities of other associations, in terms of their programs and their organizational by-laws. The draft preparatory document should forcefully emphasize this point. As we said at the 24th Congress: "Increase our relations with the workers, with all of our people; organize struggle programs in all areas, initially to achieve concrete, tangible, and palpable results, and at the same time to develop our experience and the awareness of the people. For us playing an avant-garde role amounts to that."

Thinking in this way of the concentration in action of many social forces and the active intervention of the people's movement as an engine for social change

involves raising in its true sense the question of agreements between parties which should be the political translation of this vast social movement. As I have said, we remain supporters of this effort.

#### This Doesn't Involve Developing a Specific Program

What should be the objectives of this new majority people's concentration?

I think it would not be useful, in the framework of this report, to set down the specific points which the preparatory document should contain. However, it is our function to define the program which should inspire this effort at drafting the document. We are not starting from zero from this point of view, as I showed in the first part of this report, presenting as evidence the idea of the innovative program which inspired our proposals.

First of all, this doesn't involve developing a specific program. It involves supporting the actions taken by the people, starting with the problems that they encounter in their work places and in all areas of daily life, helping them to express themselves, to join together, to act together, to achieve concrete results. As opposed to any narrow search for an overall solution conducted from on high, the essential thread which should run through all of these objectives and give them coherence is the development of action and of the concentration of our people from the bottom up.

#### Identifying Similarities of Interest

Then, for each of the proposals which we prepare, it is a matter of encouraging the involvement of the people, seeking to identify, beyond the fact of simple acts of solidarity, true similarities of interest. Thus, among all of those working for a company in difficulty and all of the people of a city there is a real similarity of interest. For example, among the workers of the automobile sector, whether they are manual workers, clerical personnel, technicians, engineers, or management figures presently involved with problems of employment, and motorists who are acquainted with problems of the price and quality of automobiles and the cost of insurance, we can see evidence of true similarities of interest which can bring both groups to take action for the growth of this essential sector of national industry and for the development of employment.

This same kind of program can be applied to all areas. Among the workers at small and medium-sized companies and those who work for large companies, those in the public and private sectors, those in banking and in industry, among production workers and salaried personnel in public or private services, and among different categories of workers in the same company, group, or branch there are areas of understanding and similarities of interest. Therefore, there are possibilities for common action. It is our job to contribute to this search, and not only in the social and economic areas, but with regard to all the problems of society.

#### Making Our View of French Style Socialism Understood

Finally, the formulation of these objectives does not involve determining the intermediary and temporary stages through which they necessarily first must pass in order ultimately to build a socialist society. I have recalled that it is the

very character of the crisis--the crisis of the capitalist structures of society --which has placed changes in society on our agenda. I quote from the lecture, "Le defi francais contre la crise," "The worsening of the crisis should therefore not put off until the distant future, prospects for major social changes. On the contrary it is these changes which constitute the lasting and fundamental solution of the great problems facing our country."

These objectives should therefore be the translation into action of the will to make capitalist privileges and modes of thinking give way in management, in the state, and in all of our social life. Our task is to bring out in a concrete way and on the basis of the problems facing us today the major features of a policy which corresponds to our vision of socialism for France.

Naturally, this part of the preparatory document should be drafted in such a way as to constitute one of the principal points for discussion prior to the congress. What we don't want to do for the people--impose ready-made solutions for them from on high--we even more certainly don't want to do for the communists. The preparatory document should therefore invite reflection, discussion, and contributions from all party members, in order to permit them in fact to identify with--and therefore to make it their own--the content of the policy of their party. Let us recognize this: this is something which we never completely succeeded in doing at the time of our preceding congresses.

#### Giving Priority to Employment

What ground should these objectives cover? I repeat: I will only list here the questions which have been raised.

In the first place, it is appropriate to give priority to employment and new growth in our economy.

We have been told: "You cannot resume growth because of the external and internal financial deficits." Well, let's ask the question: where did these deficits come from? They came from financial waste and the failure to produce the new wealth which would flow from such production. Therefore, it is appropriate, at all levels, to take part in the fight against the misuse of resources and to use the latter to create jobs and new wealth. That is the Bachelor of Arts in Business Administration of the modern economy which we want to build.

For example, they speak to us of the effectiveness of financing. We are for this. However, we see today that, while financial resources on the whole are not in short supply, they are used to favor the growth of finance capital to the detriment of the workers and the productive capacities of the country. This leads to an impasse. It is therefore necessary to do things in another way: reducing financial mismanagement, developing the growth of useful wealth, and encouraging the creation of useful jobs.

They tell us about company competitiveness. We are for that. However, today they are playing competitiveness against employment. This also leads to an impasse. Markets for companies dry up, the quality of production stagnates, and new forms of production are placed in suspense. The community pays the costs of unemployment, and, finally, competitiveness deteriorates. We therefore must achieve new



levels of competitiveness, based on growth and employment and on the development of human beings.

They tell us about labor productivity. We are for that. However, today this is being achieved on the backs of the workers, sacrificing their training. This, too, leads to an impasse. Therefore, we need a different approach, based on the training of all salaried workers, research, quality and initiative in work, and the development of the activities of the companies. We need to establish new forms of cooperation between companies and new relationships between companies and the state, between companies and local and regional government.

#### The Great Construction Site of Actions Taken to Resolve the Crisis

Inseparable from jobs and the resumption of new growth, naturally, is the question of purchasing power. It is an economic and social necessity to defend and increase the purchasing power of salaries, with the increase of job qualification and the development of the initiative of the workers, of which I have just spoken.

Along with this essential intervention in the economic area, and in close liaison with it, there are many aspects of social life where we should expand the great construction site of actions taken to resolve the crisis. In this direction the draft document should set out new avenues for the schools and for culture, for health, for housing, transportation, the use of leisure time, the environment, for democracy, for youth, for women's equality, and for peace.

Some words on this last objective. This must be a major priority for our activity. Our ideal is a world without weapons and without war, a world of peace and fraternity. We want security for every people—and therefore for our people as well—through the progressive and balanced reduction of armaments—in particular, nuclear weapons. We are fighting for friendship between peoples and for international cooperation in all areas.

Our conviction is that in this area, as in others, there is nothing inevitable in the present direction of things. Moreover, that is why we have been active in the efforts made by millions of men, women, and young people in our country, as well as around the world. We have done this out of a desire to work with all of those who share these aspirations for peace and disarmament, in the service of life and of development, whatever political and social groups they may belong to, whatever their ideological and philosophical preferences, respecting their own judgments on the origins of the present dangers. We need to make a great effort as we continue along this path.

#### 4 - Our Concept for Society: French Style Socialism

We will list these great objectives which we have to define, as I have said, in our own perspective, that of French style socialism. The 24th Congress and "Le defi francais contre la crise" have both clearly brought out the lines of force and the major features of this view which we are proposing. For, unless we seek to evade reality, substituting once more an ideal and complete "model" of our proposal, we will not be in a position to describe in detail all aspects of this new society which remains to be constructed.

Moreover, no one is asking us to drift into utopia. However, it is desirable that on the occasion of the congress we should be in a position to enrich and improve everything that may be found in our project for society and, above all, that we ensure that all of this is better perceived. It is the same thing with people of good will who are persuaded that we have no project for society!

Therefore, we certainly have a great deal to do to make known and to support the main lines of what we mean by French style socialism. I will enumerate them, as a reminder to you: a just society, a new growth of democracy, self-management of industry, the expansion of human rights, a new renaissance of culture and the establishment of new human relationships. All of these features will be the object of a bitter political and ideological struggle. Our adversaries are attacking from in front and, at the same time, we note many signs that they are encountering the deepest aspirations brought out by the crisis. For each of them our congress should contribute to setting all of the party resolutely on the offensive.

In short we have two great tasks to accomplish.

Thanks to the objectives for the people's concentration which I have just mentioned, we need to revivify on a daily basis the demands for changes in society.

And at the same time we need to act more effectively on the front of ideas and values which condition the concept which people have of reality and of the future. The stake is clearly immense and decisive for the present and for the future.

### The Word Equality Does Not Frighten Us

Let us take the first point: justice. For months, and even for years, all those who "form" conservative opinion have made war against the word "egalitarianism." That's where all the trouble comes from. Making use of a shoddy philosophy from which racism is seldom absent, articles and speeches like those of President Reagan grow ever more numerous to explain that everything which would contribute to make justice prosper would constitute an attack on the right to be different, would discourage personal initiative and efforts, and would weaken and block up society. This is a kind of trickery which we must attack directly.

First of all, because it is false and stupid to pretend that France is in a crisis because it is too egalitarian. It is in the countries of Europe where inequalities are the most evident. I demonstrated that this was the case. These inequalities have worsened since 1981.

Then, because it is equally false and stupid to confuse equality with identity or justice with uniformity. We stated this clearly at our 24th Congress: "Far from having some kind of abstract egalitarianism, the democratic socialism that we want does not rest on the assumption that all individuals are allegedly identical and interchangeable. It has the objective of allowing each of them, man or woman, to develop his or her personality and to organize his or her life as desired, in the richest kind of diversity, at the same time as they develop in solidarity." We are far from that point! The leveling process at the lowest standard, the negation of personalities, the enforced standardization of life—this is not a danger

for tomorrow so much as the reality which millions of French are encountering today. They are deprived of the right to a job, to a decent salary or income, to the right to benefit from all the possibilities of our times.

That is why we say: justice. It is in the very nature of our party, as a revolutionary party which makes us say no and will continue to make us say no to the privileges of class and caste, to contempt for the humble by the powerful, to the crushing of the weak by the strong. Regarding the right to differences between individuals—including differences of income since we have explained at length and for a long time how we conceive of the necessary hierarchy of salaries—this could be accomplished more effectively and with benefit to all of society as justice makes progress. In our view the word "equality" is not frightening. We want equal rights for all: a school with equality of opportunity; real equality of access to health, sports, and cultural facilities; the right of all persons—workers of all kinds, men and women, young people and adults, people born in France and immigrants—to equal dignity. That is French style socialism.

#### Human Development

Let us take our second objective: a new process of growth.

There also there is an intense battle developing with this idea as a target. Those who yesterday treated us as "production-oriented" and exalted zero growth in the name of the quality of life have changed their tune. The same is true of those who became poets of "modernity" but are now trying to impose their pseudo-evidence by launching an intense barrage. Allegedly, nothing counts any longer but "technological imperatives," while class antagonisms reportedly became "outmoded divisions." It reportedly is no longer necessary to speak of the rights of workers but of "rigidities." Trade union membership has become "retrograde corporativism"; socialism has become an "outworn illusion"; Marxism has become a form of "19th century dogmatism." We are invited to observe a "cultural revolution" which will reportedly sweep "ideologies" away, would consider as the high point of progress throwing thousands of workers into the street and destroying companies and jobs and making capitalism profitable on a field of ruins and human sacrifices. In short, everything is modern which presents the domination of capitalism as something eternal and immutable. Everything is archaic which casts light on the outmoded character, after all, of the reign of capitalism and of profits as king.

Clearly, in this new dictionary of ideas received from the bourgeoisie there is no prospect that we communists might be found in it. That only attaches greater importance to the action which we must undertake to unmask these old ideas in new paint, by placing them on the right ground: that of the real problems of our people and of our country, that of our capacity to provide solutions for the future.

In the face of those who cry: "Long live the crisis!" we say: growth and the production of new wealth constitute a fundamental and essential need. What is new and modern is just that: growth which does not take place at the expense of mankind but with it, ensuring training, job qualification, and a living connection between the most advanced research and production. As I wrote in "Le defi francais contre la crise," this involves building "the economy for the needs of

mankind" and no longer submitting "mankind to the power of capitalist economics," as is done today.

#### Liberty and Human Rights: the Basis for Our Action

The third essential element of our program for society is liberty. We have already said: this is one of the principal fields for the political struggle. Whereas we first described French style socialism as a new era of liberty and whereas the forces of capitalism, confronted with the crisis of their system, have been attacking democracy for so many years and in all areas by concentrating wealth and power in the hands of a privileged minority, they are the ones who, in the eyes of millions of people, have descended to kidnapping the idea of liberty and turning it against us!

Let us think of this extraordinary fact: France is a country where workers can be kept completely out of decisions which affect their future, thrown into the street without any possible recourse, beaten by the police if they protest, and all of that then misrepresented or censored by the major information media. And whom do they accuse of threatening our liberties? The French Communist Party! That is, a party whose members in every generation have made the largest contribution to the fight for liberty; a party--the only one, in the case of France--which, during its 64 years of existence has never threatened any kind of freedom, individual or collective; a party which has prepared proposals for the expansion of liberty and of democracy to an extent which has no equivalent elsewhere; and a party which makes the fight for liberty and human rights the basis for its action.

We said at the 24th Congress that it was important "for us to cast light, with more perseverance and audacity and in a convincing way, on the essentially liberating essence of our program for society." We must say that we are far from having done this today and that the party as a whole is not on the offensive at the necessary level to reply to this real perversion of the facts, to this unacceptable misrepresentation of the direction of our struggle. No doubt, from this point of view, we should propose attaching new vigor to the activity of our Committee for the Defense of Liberty and the Rights of Man, to make it possible for it to support more effectively the daily activities of the party.

#### Unmasking True Capitalism Under Cover of False Liberalism

We need to intervene with much more force on this essential ground where the old ideology of "liberalism"--naturally always masked under cover of "modernity"--has been reborn from the ashes. Based on justified aspirations directed against the state, on criticism of the bureaucracy, or of unjust taxation, the "new" liberals dream of importing into France the zealous fashion of the United States under President Reagan, where the "all powerful state" is criticized in order to break up more effectively any process of collective regulation capable of providing an obstacle to capitalist domination.

Therefore, we need to bring out the real nature of such concepts, unmasking true capitalism under cover of false liberalism. And, above all, we must reject in the clearest fashion the thesis that the communists reportedly want "more state controls." It is just the contrary that we want: more rights and power for ordinary



citizens; more powers of initiative, responsibility, and decision-making; more new forms of cooperation and solidarity between individuals; more possibilities for all persons to choose their way of life freely. What we want is to decentralize: that is, to take power from the central government, which has accumulated power in the course of our history and return it to regional, departmental, and local authorities, to bring the power closer to the places where problems come up and to place this power under the control of our people. What we want--and we are the only ones today advocating it--is this higher form of democracy which is called self-administration.

No doubt it will be necessary to present in the boldest way proposals on the diversity of forms of property which we envisage, in our concept of the role of the state, just as we will need to deepen our thinking in the area of institutions which I mentioned previously. I spoke a few moments ago of the holding of elections on the basis of proportional representation. However, more generally we need to consider presenting concrete proposals to reduce the personalization of the government resulting from the constitutional practices in force for nearly 30 years and to develop the direct participation of our people in democracy.

#### We Want a Fraternal Society

Finally, and this is the fourth aspect of French style socialism which we are proposing to our people, we say: France needs a new cultural renaissance and the establishment of new human relationships.

In order not to make this report any longer, I will not expand my remarks on this point, but everyone can see the importance of this matter.

Today the bosses are bitterly refusing to develop vocational training, which is conceived of too often as a simple palliative for unemployment. Scientific and technological changes are synonymous with increased unemployment. The great national debate on the necessary renovation of the educational system, which we propose, has not yet begun, and public schools presently suffer from a cruel lack of resources. The spreading of culture has given way to the imperative needs of public opinion polls and is committed to a process of Americanization which increasingly is invading programs and is threatening creativity. Culture, in some of its essential dimensions, remains a luxury inaccessible to the greatest number of the people. Therefore, resolutely going on the offensive, we must stimulate the demand for "finding in France a new historic figure for culture which at the same time will allow the establishment of new conditions for intellectual activities."

It is also necessary basically to improve relationships among the people. Everyone knows that, under the impact of the crisis, human relationships have deteriorated seriously. Some people see this as a normal development and make use of it to justify the law of the jungle which capitalism uses as its standard. Seeking to succeed at any price, even if it is necessary to crush others to do that; encouraging scorn for the weak, who are considered guilty of causing their own distress; relying on oneself and responding to violence with violence; hunting down people accused on questionable grounds of offenses of some kind, even if this means raising the hideous specter of racism--all of these detestable practices would be considered the last word in fashion and the expression of new "values" worthy of encouragement.

We say no to all of that. We will not resign ourselves to see develop even a limited kind of egotism, fear or hatred of others, insecurity, discrimination against women, suspicion of young people, or racism. We must strongly affirm--in words but also in our everyday actions--our desire to build a fraternal society of men, women, and young people, united and responsible, a society in which everyone can develop his own personality and master his own life, thus assuring progress for all.

#### Socialist Countries: Apply the Proposals of the 24th Congress More Effectively

Naturally, in dealing with our project for building a socialist society for France, in the preparatory document we must set forth once again the view we have of the nature of the countries where a socialist society is being developed, as well as the relationships which we have with those countries and with the parties which are in power there.

For years in all capitalist countries, and in France more than elsewhere, everything dealing with the socialist countries has been subjected to what we have called a real "ideological war." Before this Central Committee I don't need to give examples, they are so numerous. We will limit ourselves to noting that, under this permanent bombardment, the image of the socialist countries has considerably deteriorated in the eyes of the French people and of the working class itself. There is no doubt that we are suffering from the negative consequences of this development.

As a result, it happens that some comrades use the following course of reasoning: since these countries apparently are a "dead weight" which we are dragging behind us, what prevents us from cutting the chain and abandoning them? Let us break with them. Let us proclaim that what we want for France is the opposite of what the socialist countries are doing. We won't have solved all of our problems, but this particular problem will have disappeared.

Such an attitude is profoundly wrong. First, because it is illusory in outlook: what we want for France is a socialist society which is original, democratic, "French style," basically different from what is being constructed elsewhere. That is true. However, we want a socialist France. Whether we want it or not, in making up their minds the French who look to us, who can be won over to our project for society, will always refer to socialism as it is being built in several countries. Unless, of course--but that's silly--we give up calling "socialist" the prospect which we are offering, there is no escape from the problem presented to us.

So what should we do? The answer which the Political Bureau proposes to the Central Committee is as follows: we don't have to change the program which we adopted on this question at the time of the 24th Congress. We have to use this answer more effectively and to place the whole party resolutely on the offensive.

#### We Are Totally Independent

Should we be more "independent"? But how can we be more independent, when that is what we are, totally so. We are the only French political party which is not a member of any international union. Nothing--no decision in any area whatsoever

—is suggested to us from a foreign country. And it is to this extent, as we stated insistently at the 24th Congress, that we are developing, with all communist and progressive movements which want it, "relationships based on independence, strict legal equality and non-interference, the search for flexible and effective forms of common action toward common objectives, the recognition of the right to differences in points of view and, in some cases, diverging attitudes on this or that question." And we added: "Our attitude of solidarity has nothing to do with unconditional support for others. We have and we intend to maintain in the future our right of criticism. Basic differences may exist between us. They have been recognized, as the important joint declaration of January 1980 between our party and the Soviet Communist Party emphasized. We say what we have to say, as a responsible party, after calm discussions, without anyone wishing to present our policy as a "model" for others or telling others what to do."

#### Know Them Better and Make the Truth Better Known

Regarding our view of realities in the socialist countries, there also we think that the position which we adopted at the 24th Congress does not need to be reconsidered. Basically, this position consists of a few words: know them better and make the truth regarding them better known. We wish "to evaluate as carefully as possible the contribution of the peoples who are building socialism, as well as the diversity to be found and the present limits of this effort." We have definitively given up praising them without restraint and making systematic excuses for them. However, neither will we fall into the hateful and often racist caricature which is presented regarding these countries in our own country.

Therefore, we consider the extent of the achievements recorded in these countries over a relatively short period of time, taking into account the extent and the novelty of the work undertaken. We do not ignore the problems which they have had to deal with, and we note with attention the answers which they have found for their problems.

Regarding these problems, the first consideration has been the low starting point for most of them. Then there are the limitations which flow from the international environment: the fallout from the crises faced by capitalist countries, the burden of the arms race imposed by imperialism, the requirements of international solidarity. There are also problems which result from the errors and the serious and painful shortcomings which mark their history and which have been an obstacle to the development of socialism. Finally, there are the problems which relate to the difficulties and contradictions which have emerged from their own development and the new needs their people have, flowing from the process of development.

That is why, as we have said, these societies must answer "a triple challenge: master economic efficiency, ensure social progress, and develop democratic participation." We are following with interest their search for solutions and the most varied kinds of innovations under way in a number of socialist countries in answering these great demands of our time. Some of them are still encountering serious difficulties. That must not hide the overall movement, the general tendency which is emerging. If we look clearly at the situation--and a number of reports by international organizations have done so--and see what is happening today in the countries where a socialist society is being constructed, we can only say that they have some advantages on their side and that they are carrying out a

number of experiments and introducing innovations in responding to the questions they face. As we know, our view of their problems and their achievements leads us to express our disagreement with any attack on personal liberties, whenever such an attack occurs. We insisted strongly on this point at the time of the 23rd and 24th Congresses and since then as well. We consider that "the central question of the democratization of social, economic, and political life is a universal demand by all peoples, and socialism is an expression of such a demand."

#### For the Broadest Possible Mobilization for Peace

Quite clearly, this question of understanding reality and the role of the socialist countries is inseparable from the class struggle which is unfolding on a world scale. On this point we think that the preparatory document should mention the developments that have occurred most recently, which reflect a noticeable deterioration of the international situation, which is now marked by tensions and by a worsening of the risks facing us.

In the economic, political, military, and ideological fields imperialism--with the United States under Reagan as the leader--is demonstrating growing aggressiveness. We have often said that this aggressiveness, which takes many forms, is not a sign of strength but rather that it is a symptom of the worsening of the crisis and of the imperialist system of domination. We continue to think that the balance of forces on the world scale continues to favor the forces of peace and progress. The fact remains that the threats to world security are serious, which requires this broadest possible mobilization for peace which I have spoken of.

#### 5 - France and Its People Need a Large Communist Party

The draft document should bring out this central idea in its final section: France and its people need a large Communist Party.

The entire analysis which I have just presented shows this: on the one hand a period of history is little by little coming to an end. We don't say that all of the known aspects of the political struggle which we have experienced up to now have been completely changed and that things will now quickly alter. Of course not. A great deal of effort, and no doubt time, will be needed to establish solid foundations for the new majority people's concentration against the crisis. However, that is the task which is on the agenda. A new field is opening for our activities, and an immense responsibility is devolving on every communist.

I have demonstrated on several occasions, and the draft document should also see to it: what we say and do is meeting the essential demands of our time and the most basic aspirations of our people. Many conditions have been created to make the indispensable character of our party better known.

#### If the Communist Party Did Not Exist

For if there were no French Communist Party, what party in our country would say: no, the crisis into which our country has fallen is not fatal. A solution exists: here it is?



If there were no French Communist Party, what party would say: the future of France involves changes in society, that is, French style socialism, built by and for our people, on the basis of their traditions, their preferences, their needs?

If there were no French Communist Party, what party would say, with proof to support it: unemployment, shortages, and austerity are not unavoidable. Is it possible to resume the process of growth and to expand employment, to ensure and extend purchasing power, to improve things by making welfare develop further?

If there were no French Communist Party, what party would defend the dignity of the workers, would fight when our liberties are questioned, when democracy is impoverished?

If there were no French Communist Party, what party would resolutely defend national independence, would promote solidarity with the actions of the peoples who are liberating themselves, and would act in favor of peace, security, detente, and friendship among all countries?

Millions of people can appreciate that the existence of the French Communist Party, the direction in which it is fighting, and the extent of its influence are not matters just for the communists or even for a single social category. This is a matter of facing up to and dealing with a crisis which affects all of society. This involves bringing together all those who reject the humiliation and impoverishment of our country. The choices made by this party involve the future of France and of its people.

#### Clearly Affirming Our Identity

From this point of view the preparatory document should clarify this decisive question by emphatically stating our identity: what we are and what we want.

For we are the revolutionary party of today. We are the party of all those who have not resigned themselves to capitalism in its state of crisis. We are the party of those who want new solutions, adapted to the problems which have been raised, the party of changes in society, of economic, social, and cultural progress, of French style socialism.

We are the party of justice, the party of the little people, of the workers, of all workers, both manual and intellectual, the party of all those who are revolting against social and cultural inequalities, the party which, always and in all circumstances, stands up against injustice and oppression.

We are the party of liberty, of human rights, of self-administration. This is our ideal and reflects the entire direction of our daily efforts. Everywhere, in work places, in residential areas, in small towns the communists are there when mistrust, violence, hatred, and racism raise their heads. We take action everywhere to ensure that mutual respect, security, dignity, and fraternity prevail.

We are the party of unity, the party which calls for joint action without excluding anyone, respecting the diverse outlooks of everyone, to resolve difficulties. We are the party which offers the prospect of a new concentration of the people to bring us out of the crisis.

We are the party of international solidarity. We fight for a new international order making it possible to conquer hunger and under-development. And we are the party of independence for France, for its security and its freedom of action.

Finally, we are the party of peace. We work with all those who favor peace in the interest of disarmament, peaceful coexistence, and friendship among the peoples of the world.

Even there, yes, we are the party of youth. There are those who say: "The Communist Party? It no longer knows how to speak to youth." That more efforts must be made and more progress achieved is clear, and it is desirable that this question find its proper place in the discussion at the congress. However, saying that there is some kind of divorce between what the Communist Party wants and what the aspirations of youth are--how absurd! We are the party of the struggle against the old world of exploitation, the party of those who have not resigned themselves either to unemployment or the reduction of salaries, the party of equality for women, the party of those opposed to racism, the party of all those who want a world without armaments and without war. And we are the party which is not content with simply talking, which does what it says it will do, and which calls on young people not to give up in the face of difficulties, but rather to act to achieve their aspirations.

#### Reaffirming the Validity of Democratic Centralism

It is on the basis of this identity of the party and of the objectives which it has set for itself that we need to reflect on the internal life of the party and on the way it functions. The great question facing the communists is to improve the effectiveness of their efforts in all areas, in order to deal with the immense responsibilities of which I have just spoken. As a function of this essential concern the preparatory document should deal with problems related to the democratic life of the party, which always leaves room for improvement.

The opinion of the Political Bureau is that, naturally, the preparatory document should reaffirm the validity of our organizational principle, democratic centralism. Far from the caricature it is sometimes described as being, the rules for the functioning of our party constitute, in fact, a guarantee bringing together efficiency, unity of action, and democracy. We might note only that, when we look at what exists elsewhere--the arrangements and transactions between factions, the battles between leaders, the scorn for the lower-level elements of other parties, which are used as the shock troops of this or that figure--we really have no reason to feel any complexes with regard to the internal, democratic life of our party!

I will not review in detail before the Central Committee what this notion of democratic centralism is. The preparatory document no doubt should do this. I simply want to emphasize, in the framework of this report, one point, involving an objection sometimes made: democratic centralism is allegedly a monolithic point of view. This is not only false, but the truth is quite the reverse of this objection: it is even the only way of protecting ourselves.

In fact, democratic centralism allows everyone "to count as one," as we say. That is, to make the party's thought process benefit from one's own thought process and

one's own sensitivity, without immediately being catalogued and labeled as representing this or that tendency or leader. Therefore, it is a means of not sterilizing the contribution of each person or of not freezing the debate at the very beginning. Rather, to the contrary, it is a means of making the debate develop, thanks to the exchange of views and of experience, for the purpose of bringing out a common outlook which is that of the party as a whole, and not the victory of one group over another.

#### We Reject Any Unwillingness to Take Action

They tell us: "But you make all decisions unanimously." Whatever it is, this is in no way an obligation. Clearly, if, following a discussion which is totally free in our party, everyone agrees, we are not going to force anyone to vote against the common position in any case! However, we absolutely do not follow the cult of unanimous approval of everything. When, after a discussion, we do not reach agreement between all of us, democratic centralism makes it possible specifically not to paralyze action. Rather, it ensures the application of the majority decision, while permitting each person to maintain his own opinion, as he continues to defend the party.

Naturally, affirming the intangible character of our devotion to our system of organization does not in any way mean choosing a policy of taking no action. As I have said, it is as a function of our objectives that we should define our rules of operation. Just as we try to improve our objectives, in the same way we should try steadily to improve our rules of operation. From this point of view I recall that at the time of our 23rd Congress 6 years ago we made changes in our statutes, creating, for example, the National Council of the party and regional committees as well, providing for the possibility of having discussion sections in our press during the period between party congresses.

#### A Permanent Concern for Deepening the Democratic Life of the Party

This permanent concern which we have for deepening the democratic life of the party is—and I emphasize this point—an indispensable condition for making it possible for the party to improve its work. I have recalled that our party lives according to the elementary democratic rule constituted by the rule of the majority. That is, the application by everyone of the decisions made by the majority. Does that mean that, once a decision is made, a kind of iron discipline requires that everyone—including those who doubt the correctness of that decision—show the same dynamism in applying it and make the same effort to explain it? That is absurd. The French Communist Party is a voluntary and benevolent association, and the only basis of personal commitment, the only motivation for action by its members are not and cannot be the reflection of arguments derived from authority but rather from personal convictions.

It is therefore essential to contribute in an increasingly more effective way to providing complete information to communists, to favor free discussion among them, to raise the political and ideological level of the party as a whole, and to ensure the circulation of ideas from the top to the bottom and from the bottom to the top.

From the top to the bottom because the communists need not only to be informed of decisions made by their leaders of sections or federations or by the Central Committee, but above all they need to know the reasons--all of the reasons--for the decisions. If they are not so informed, how could they understand, how could they consider, and how could they apply these decisions with maximum efficiency? The role of the leaders at all levels is therefore not only to reflect such decisions but to make clear the reasons which led them to make such decisions, thus allowing all communists to act with a full knowledge and understanding of the situation. No doubt there is room for improvement there.

And we also need to be sure to make ideas circulate from the bottom to the top, because no leader can properly exercise his responsibilities if he is badly informed about the facts and the opinions of communists dealing with the situation. From this point of view, doesn't it happen that some party cells say: "We make good decisions, but they don't go 'up the ladder'"? This concern is a legitimate one. No doubt efforts need to be made to ensure that the benefits from discussions at the lower levels have a better impact on the reflections and discussions which take place at the higher levels of the party. I will only mention one example: shouldn't we ask ourselves--I am speaking for the Central Committee as a whole and not for each separate member--about our perceptions of the real state of disillusionment and discontent within the party over the past 2 years when, in very many cells, this question of discontent among the people has endlessly come up?

#### The Essential Matter Is the Life of the Party Cells

Therefore, the question now before us is: what can we do to improve the functioning of democratic centralism in order to benefit from all the possibilities which this practice offers of raising the level of reflection and activity within the party to a point equal to the responsibilities facing the party? The essence of the problem is well-known: the life of the cells in companies, in residential areas, and in the villages.

Certainly, making the cells come to life in a broad and continuing way is what requires the most effort. However, this is the most essential thing to do for the revolutionary party which we are. For it is at this level, the level of the cell, that we are closest to the problems facing the people. It is at this level that we can help them to take action. It is at this level that every communist can continuously give his views on all questions, large and small. In short, it is at this level that everyone can contribute fully to the preparation and application of the policies of the party. These two aspects are very closely linked since the activity of the cell makes it possible to deal on a continuing basis with the policies of the party in reality.

In this period of preparation for the 25th Congress, which is now beginning, this function of the preparation of positions, which pertains to the cells, will become even greater. This will involve going to see all party members to give them the preparatory document, to organize opportunities to read it, to set up discussions, and to allow an opportunity for everyone to improve it. Making every cell come to life in the period ahead so that the 25th Congress will really be the congress of the whole party should be the principal concern of every communist, and in particular that of the leaders and party functionaries at all levels.



Naturally, that doesn't mean that there is no need to look for additional groups to make possible greater effectiveness of action. Perhaps the draft document could make some proposals on this point.

### Reflecting on New Initiatives

For example, we no doubt need to reflect on new initiatives which would make it possible to participate more broadly in the process of reflection and decision-making. Wouldn't it be useful for the communists in the same large company or group, in the same branch, or even in the same region to have more frequent contacts to exchange experiences and to acquire a better understanding of the common problems they face?

In the same way, when this or that particular problem is raised which concerns several party organizations, couldn't we think of organizing a meeting of the communists concerned—whether they belong to several cells, sections, or federations—to make it possible subsequently for regular party organisms to make a decision which benefits from all of this reflection?

In the same kind of way, there are many important subjects which are not currently on the political agenda but which involve the communists. It should be possible to organize more frequent meetings—whether in the form of an assembly of several cells or sections, or even a public debate—to discuss this or that subject together.

Finally, it has been announced that L'HUMANITE is preparing to undertake a major reorganization to respond more effectively to the needs, aspirations, and tastes of our readers.

However, I repeat—and I am not saying that, of course, with regard to the proposals which I have just made—that this does not involve looking for some kind of gadget or a miracle recipe in this area, which is decisive for the democratic life of the party. Everything should be subordinated to one essential effort: making it really possible for each cell to meet, to reflect, to discuss, to act.

Comrades.

These are the ideas which I was asked to submit to you in the name of the Political Bureau. It is for us to make the necessary decisions now to organize discussions prior to the 25th Congress on all questions involving the political, ideological activity of the party.

### Resolution of the Central Committee

The Central Committee approves the report of the Political Bureau presented by Georges Marchais. This report has three objectives:

- (1) Serving as a basis for the work of drafting the preparatory document for the 25th Congress;

(2) Permitting the entire party to begin without further delay the process of reflection and discussion of the principal ideas which the preparatory document now under preparation will express;

(3) Contributing to the development of different actions by the people which are required by the present situation.

The Central Committee has decided to bring this report quickly to the attention of all of the party.

With this aim in mind the members of the Central Committee in the next few days will report to party officials--members of federal committees, section committees, and cell bureaus--on the work of the present session and will provide complete information on the contents of the report of Georges Marchais.

The Central Committee will handle the publication of this report. It invites each federation of the party to take particular care to ensure that this report is provided as soon as possible to each member of the party and that the analyses and proposals which it contains are submitted for reflection, discussion, and consideration by each cell, each section committee, and each federal committee of the party.

The Central Committee has designated the following committee to draft the preparatory document for the 25th Congress:

Georges Marchais, Paul Laurent (rapporteur), Sylviane Ainardi, Gerard Alezard, Remy Auchede, Daniele Bleitrach, Pierre Blottin, Jacques Denis, Michel Duffour, Charles Fiterman, Nelly Foissac, Jean-Claude Gayssot, Philippe Herzog, Jean-Pierre Kahane, Rene Le Guen, Roland Leroy, Jean-Paul Magnon, Gisele Moreau, Marcel Rosette, and Francis Wurtz.

5170

CSO: 3519/2

## BARRE STAND ON REFERENDUM, PCF SPLIT, ASSEMBLY DISSOLUTION

Paris LE FIGARO in French 21 Sep 84 p 7

[Editorial by Raymond Barre: "The Departure of the Communists Does Not in Itself Justify Supporting the Government"]

[Text] Raymond Barre's magazine FAITS ET ARGUMENTS, which has just updated its format and now has more than 20,000 subscribers, has published an editorial entitled "Explaining the Crisis," in which the former prime minister presents his views on the events of the past summer. Here is the text:

This summer was full of events which affected the government, the majority and the opposition. It would not be an exaggeration to say that the debate was and remains confused. It will probably continue that way since we are now on the road that leads from the legislative elections directly to the presidential election and since all political activity and thinking at the highest level will largely be determined by these circumstances.

I believe it is necessary to explain to the readers of FAITS ET ARGUMENTS the reasons for the positions I have taken and which, barring unforeseen circumstances, I intend to take in the coming months. I am not "above it all," like Mr de Lamartine. Although I remain resolutely uninvolved in partisan squabbles, I do intend to participate unambiguously and in my own way in the struggle of the opposition.

#### The Debate on the Referendum

1) In July, the president of the republic, according to the request by the majority in the Senate to proceed with a referendum on the Savary law, proposed a revision of article 11 of the constitution permitting extension of the use of the referendum to the question of civil rights.

Like many specialists in constitutional law, I did not think that it was possible to have a referendum on the Savary law under the present article 11. I took a position in principle favorable to a referendgm concerning the extension of article 11, on the one hand because this seemed to me desirable and on the other because I thought that a new bill establishing pluralism in education deserved to be submitted to the vote of the French people. I am in favor of using the referendum on the basic problems of the country. We should not be afraid of consulting the people on major questions.

When I saw that the president of the republic was maintaining an artistic vagueness on a referendum on education and then that he was forbidding the keeper of the seals and the socialist chairman of the committee on laws from presenting the necessary amendments to the bill concerning article 11 of the constitution, I drew the conclusion that the procedure for constitutional revision which had been undertaken was mere hypocrisy. When it comes down to it, all those people who were asking for a referendum really did not want one.

Therefore, I voted for the earlier question presented by Michel Debre to the National Assembly. I hope, one day, that a debate worthy of the subject will be undertaken and concluded. I especially hope that the referendum is not definitively dead in France.

#### The New Government

2) The president of the republic changed the prime minister and the cabinet. The new government intends to change its style and language after the policies of the administration have changed on certain points. I am watching the situation. If the new government makes decisions which seem to me to go in the right direction, for example, concerning education, modernization of the economy and reducing the deficit, I will be delighted. I have never engaged, and will never engage, in scare tactics. On the other hand, I do not intend to recommend an overall policy which seems badly conceived, whether it is a policy of "French socialism," or one of a "mixed economy society." I believe that we must not, now or in the future, legitimize, after the fact, all the reforms introduced by the president of the republic at the beginning of his term. It is up to the French people to decide, on a ballot where they have a clear choice. Until then, we will remain in a period of ambiguity.

3) The communists left the government. Before deciding that this fact is of primary importance, let us wait to see what happens.

I doubt that the president of the republic wants to get along without the communists before knowing whether he has a new base of power. I doubt that the communists want to break completely before knowing what the new electoral law will be. That will be a good subject for discussion for one of the next meetings between the Socialist Party and the Communist Party. But let us allow these partners in the union of the left to settle their problems between themselves: the departure of the communists does not in itself justify supporting the government.

4) I did not associate myself with those who wished to dissolve the National Assembly. I believe that we must respect the timetable and that it is up to the president of the republic to decide whether or not there should be dissolution. Moreover, I believe that we must allow, in the interest of the country, the socialist experiment to be carried out to the end of its scheduled time so that the French can judge it with full knowledge of the facts. Moreover, the essential question is not dissolution, but what will be done after dissolution, if there is a change in government. I will return to this important question in my next editorial.



5) The political events of the summer reawakened interest in questions about people in the opposition. It is normal for specialists in intrigue and lovers of gossip. As for me, I am not interested in either. I make up my mind and speak out of conviction; I do not discuss personalities. To my knowledge, there is in the opposition no Holy Scripture, no dogma, no infallible teacher, no catechism, no authoritative argument. I accept, for my part, none of that and I will participate neither in schemes nor in hypocrisy to win an election: let no one count on those things to impress me or to intimidate me. In addition, everyone knows that boredom is born of uniformity.

The opposition therefore has an interest in protecting its diversity. In any case, as for me, I have no intention of being bored.

8956

COO: 3519/42

## RPR PREPARES BOOK ON PROPOSALS FOR NATION

Paris LE FIGARO in French 21 Sep 84 p 7

[Article by Henri Paillard: "RPR: A Book and a Convention to Prepare for the Legislative Elections"]

[Text] "Free and Responsible," with the subtitle "RPR, Proposal for France," that will be the work presented and distributed at the beginning of November, a few days before the meeting of the RPR [Rally for the Republic], which will take place in Grenoble on 17 and 18 November. The purpose of this book is not to present a mere catalogue of measures listed and numbered, but rather to show that there exists a political proposal on which all government action will be based if the opposition is elected.

The RPR intends to give its project all the necessary publicity to put an end to the idea--too widespread according to it--that the opposition and the RPR in particular would have nothing to propose if they were returned to power. Jacques Chirac will himself present this work during a press conference lending a certain importance to the work.

This proposal is based on the text adopted during the last convention and thoroughly developed in several work groups. If anyone wants to find out about the RPR proposal, the Grenoble meeting will be an ideal occasion. The book will be on display everywhere and the militants will be invited to study it and to distribute it.

The convention, which takes place by statute every 2 years, should bring together some 3,000 people. It will, in a way, be the start of the legislative campaign for March 1986. The RPR intends to mobilize all its energy for that event. In addition to making known the proposal and to naming its leaders, the RPR will also agree on its platform. That will mean the reaffirmation of its Gaullist roots which had--it must be said--been somewhat neglected with the creation of the RPR. The meetings will emphasize the affiliation and the continuity of the RPR with Gaullist thought, and it will recall the social progress achieved under the Fifth Republic. In a period--but is that anything new--in which each political party takes on a little Gaullism, the RPR wants to clearly reaffirm that it is the only one able to call itself Gaullist, for the simple reason that it came out of Gaullism.

The secretary general of the RPR has therefore said he was annoyed to hear Gaullist lessons given by those who were the adversaries of General de Gaulle when he was in power.

"General de Gaulle," he added, "wanted more government and less government." Pons explains the paradox this way: "We are following De Gaulle exactly when we say that the state must be reduced to its essential functions and that it must abandon this extraordinary growth which is paralyzing French political life." Gaullist continuity, certainly, but the RPR wants to show that it is facing the future and that for its part the greatest lessons which it finds in the Fifth Republic is its ability to "face up" to any situation. The RPR will certainly have the opportunity to show this way of viewing political life on many occasions.

8956

CSO: 3519/42

## UNEMPLOYMENT STATISTICS SHOWS 'DRAMATIC' INCREASE

Paris LE MONDE in French 18 Oct 84 p 30

[Article by A.Le.: "2.5 Million Job-seekers by the End of the Year?"]

[Text] It is becoming more and more apparent that, given the tendency indicated by end-of-September unemployment statistics (October 17, Le Monde), the historic figure of 2.5 million ANPE-registered job-seekers [National Employment Agency] will be reached by the end of the year or the beginning of 1985.

True, the results obtained in adjusted data still indicate stability--a stability cited by Labor Minister Michel Delebarre in his communique, stating that "the slowed rate of increase in unemployment noted since May is persisting"--but the sharp increase shown in unadjusted figures seems to indicate a worrisome trend whose effects will make themselves felt in the coming months.

First of all, the number of unemployed exceeded 2.4 million in unadjusted figures for the first time and thus represented more than 10 percent of the active population. Secondly, and most important, there was a jump of 174,500 job-seekers in one month, the greatest monthly increase in a year, although September traditionally sees a resumption in the upward trend. By way of comparison, the number of unemployed increased by 154,000 during September 1983, and, since that date, a perceptible increase has been observed each month: while 291,000 more applicants registered in July, there were 307,000 in August and 328,400 in September. Indications are that this trend will persist in October.

Finally, the number of job opportunities listed dipped again, after shaky improvements during the previous months. In raw data, 36,400 were posted during September, compared to 27,200 in August (always slow) and, most significantly, 49,400 in September 1983, a decrease of 26.3 percent. In September, an all-time historical low was reached, with 24,800 job opportunities listed, in adjusted data. There were 40,000 in August (down 38 percent) and 33,900 in September 1983 (down 26.8 percent).

Other statistical factors only confirm this trend towards increased unemployment. In September, the number of new ANPE registrations was calculated at 442,200 in raw data (that is, 44.5 percent more in one month and 2.4 percent



more in one year), and at 321,000 in adjusted data (or, up 1.9 percent in one month and up 12.3 percent in one year). Registrations following the termination of work contracts for specified periods of time--42.2 percent of the cases--now number 186,510, an increase of 75.6 percent in one month and 9.4 percent in one year. The "first-fired" among the unemployed, primarily the young, number 103,813 and have increased by 56 percent in one month and by 1.2 percent in a year.

Although there has been a significant increase in the number of apprenticeships contracted for, either by personal request (up 17.3 percent in a year) or through the ANPE (up 21 percent), the consequences of unemployment are nonetheless spreading to new categories of the population and weigh more heavily on the young and on older salaried workers. The 29.1 percent increase, in one year, in the disbursement of special FNE benefits for early retirees testifies to the intensity of lay-off activity and to the increase in the number of social strata touched.

9825

CSO: 3519/69

## PCF DESTROYS ISSUES OF JOURNAL CONTAINING PARTY CRITICISM

Paris LE CANARD ENCHAINE in French 17 Oct 84 p 3

[Text] It is the latest gag of the Marchais gang. The August/September 1984 issue of L'ECOLE ET LA NATION, a magazine published by the PC [Communist Party], has been pulped. This joke cost about 12 million centimes: about 9,000 copies of this 60-page magazine were destroyed. Reading prohibited.

It had to do simply with preventing the propagation of some crazy ideas expressed in an article by Jacques Scheibling. In short, protecting readers from contamination. Writing on the subject, "40 Years of Modernization," the author, a university professor, drew up a summary balance sheet on PC activities in the scholarly, secular education, and intellectual fields. And he took advantage of the occasion to criticize his party a little (see our documents). Whis is really intolerable.

Hence the pulping and republication of the number. With the controversial article still in it (but purged of its blasphemies) and an editorial by Marchais, in place of the one by the chief editor in the "original" edition, which was also considered a little "out of line."

When comrades do not know how to write, it is up to the chiefs to guide their hand. The discussion of ideas is too serious a matter to be left to intellectuals.

## Pulped Papers

This is not the first defilement of its kind. In January and February 1978, two successive versions of a PC brochure entitled "To Live"--of which a million copies were made each time--were pulped by order from on high. The reason: the authors put too much distance between themselves and the USSR and a photo of Pierre Juquin shaking the hand of the Russian dissident Leonid Pliutch was shown.

At the time, this cost the PC some 200 million centimes. Six years later, life goes on, the same thing happens, a fresh start is made and the pulper keeps on pulping. But today, the misadventure of "The School and the Nation" costs its censors less.

Everything in the PC is on the decline, even waste.

Here are some of the phrases in the "guilty" article as they appeared in the pulped edition of L'ECOLE ET LA NATION. In the new edition, of course, they disappeared. One can understand the position of the PC leadership; these remarks and the tone used are really intolerable.

"If the intellectuals are lost, an essential intermediary with civilian society is lost. The PCF has learned this lesson in recent years."

"The PCF's Surmountable Setbacks and Delays

"The Communists bear a share of the responsibility for the weakness of the Left."

"Nevertheless, the PCF was caught off balance by the events of 1968."

"Can we again become a political movement capable of promoting social innovations in modernization and of guiding the aspirations of the teachers, parents of the students, workers and children? Yes, if we pursue a self-management strategy to the end."

More than ever, it seems to me, it is through clear, loyal, intense debate, with neither concession nor limits, that we can rediscover the PCF that both the schools and the nation need. And it's more than about time. (Conclusion of the editorial of Rene Maurice, chief editor of L'ECOLE ET LA NATION. He too has fallen into disfavor. To the pulper...).

12336

CSO: 3519/87

## COUNCIL OF MINISTERS DISAGREES ON IMMIGRATION LAWS

Paris LE CANARD ENCHAINE in French 17 Oct 84 p 2

[Text] The atmosphere at the Council of Ministers meeting on 10 October, which, as we know, was devoted in large part to immigration questions, was rather tense. The day before, several ministers had gotten together and agreed to pound the table at the meeting. Some were even talking about resigning, if certain contemplated measures were, in fact, retained.

On 9 and 10 October, some ministers were seized by panic. Telephoning between ministers went on intensively. Cabinet members and ministers passed each other the latest tips, filled each other in on the latest rumors and all howled together.

Georgina Dufoix, who is to prepare the file, does not count for much in this matter; it is Joxe who pulls the strings and his proposals on immigration are unacceptable for a Leftist government.

What proposals? According to a disaffected minister, one of them would have the effect of openly forbidding "new immigrants" from bringing their families to France. Another, "the most serious," contemplated the expulsion of young immigrants (of French birth but, until reaching their majority, dual nationality) guilty of committing crimes. One of the working documents even bore the title, "Measures against Immigrants." An example of clumsy style no doubt but also revealing of a certain outlook.

Tuesday evening, when the file was sent to the Elysee [the presidential palace], the excitement reached its peak.

Everybody was excited Wednesday morning as well. The majority of the ministers did not know that, on the evening of the day before, the Elysee had settled the question: the most Draconian measures had been eliminated, the rest substantially softened. An advisor at the Elysee explained:

"It was difficult to make the laws more severe, because many changes had already been made in that direction in 1982. In fact, only one concrete decision had been taken: the reuniting of families would be slowed down. Otherwise, it is a question of applying the existing laws and, in order to do this, of having the financial means."



But do not repeat this, because it seems that, above all, the good people of France must be convinced that the government has thrown the book at immigration.

#### To Know What One Wants

From the beginning of the discussion at the meeting, Mitterand tried to reassure everybody by saying: "We must maintain a Leftist position and language in this matter."

After which, he went around the table.

Oddly, Joxe seemed to be very moderate: he limited himself to asking what objectives were really being sought. And what financial and human resources could be put at his disposal. It is all well and good to reinforce the air and border police, he said, but where is the money to come from? The latter question received no clear answer.

Badinter, for his part, asked his colleagues which policy they intended to follow: pure and simple integration of legal immigrants or their expulsion after several years of working in France. This seems to have been his way of expressing his misgivings on the plan as a whole.

Rocard confined himself to the technical aspects and agriculture: the measures taken must not prevent seasonal immigrants from working in agriculture, he declared.

#### Gaston in a Hurry

As for Deferre, he advocated the pure and simple abrogation of the 1981 law requiring intervention by the courts before the expulsion of immigrants could be authorized. Gaston called for a more flexible and rapid system. When made his old enemy Badinter scream.

#### Fabius' Blunder

About ten days ago, Fabius wanted to have immigration and security problems both considered at this same meeting of the Council of Ministers on 10 October. Among others, Pierre Joxe pointed out to him that this was, at best, clumsy: "Uh oh, watch out!" he said. "We would be admitting that Le Pen, who generally associates immigration with security, is right."

So the agenda was changed and Fabius decided to postpone the security discussion until the Council meeting of 24 October. The latest word is that this discussion will be postponed for another week. It seems that Badinter, charged by Joxe with working on the question, is dragging his heels and that there is no agreement on the measures to be taken. Fabius, for example, would like to restrict further the system of leaves for prisoners. The justice minister is not in agreement.

Nobody really knows how to handle the problem of identity documents since the recent decree by the Court of Cassation.

Yet another fine Council headache in view?

## BRIEFS

DAMETTE SANCTIONED FOR NEGATIVE VOTE--As anticipated and forecast by LE CANARD, the PC Political Bureau has sanctioned Felix Damette. He will no longer be responsible for supervising party activities in Corsica and, in particular, in southern Corsica. Henceforth, he will be prevented from having too many contacts with the party membership, but his punishment was less severe than that demanded in the beginning. In fact, Damette retains responsibility for the PC's "regions sector." a job calling for reflection, but he had better not reflect too much...[Text] [Paris LE CANARD ENCHAINE in French 17 Oct 84 p 3] 12336

CENTRAL COMMITTEE RESIGNATION OF BURLES--At PC headquarters on 12 October, some of those in the know were talking about a letter of resignation submitted by a Central Committee member to Gaston Plissonnier. And the name of the one resigning was beginning to circulate: Jean Burles. Jean Burles is not a newcomer: he is 68 years old and has been in the party for 49. A party member since 1935 and a member of the resistance movement who was arrested and escaped, he climbed all the rungs in the "apparatus" ladder one at a time. Director of the central cadre training school, then editor-in-chief of the weeklies and FRANCE-NOUVELLE "REVOLUTION," this old party loyalist has been a Central Committee member for 30 years. With time, in recent congresses, he ended up kicking over the traces. Recently, he even had a run-in with Marchais. "He has disagreements," as they say. But they add, "He is a disciplined comrade." Which is why his letter of resignation from the Central Committee (he is not leaving the party) comes as a surprise. And to have sent it when the leadership is in trouble is really scandalous. [Text] [Paris LE CANARD ENCHAINE in French 17 Oct 84 p 3] 12336

CSO: 3519/87

## PASOK FOREIGN POLICY SEEN HARMING NATIONAL INTERESTS

Athens POLITIKA THEMATA in Greek 28 Nov 84 p 18

[Article by Dim. G. Kousoulas: "Provocations and Explanations"]

[Text] Obviously upset about the negative reaction its recent initiatives in Libya and especially Poland have had in Western capitals, the Papandreou government has launched a coordinated campaign on many fronts for the purpose of providing "explanations" to allied governments and specifically to the Americans. Simple logic, of course, would have dictated that these ambiguous initiatives should not have been taken at a time when national interests of the highest order demand allied--and particularly American--support. But what is done is done. The question now is whether these "explanations" will succeed in dispelling the displeasure and suspicion that have arisen from the anti-Western and anti-American demonstrations and statements made in recent weeks (that are only a follow-up to many others made in the last 3 years). Naturally, the allies, and especially the Americans, will receive these explanations with diplomatic courtesy, but it would be naive to believe that they will be so easily convinced. Thus, the now consistent strategy that alternates provocations with justifications (an obvious misconception of what really constitutes a multi-dimensional and independent foreign policy) will not resolve the problem. National interests are suffering from the negative results, at least to the extent that their support and satisfaction are dependent on American cooperation; Turkey, of course, is profiting from this.

It should be understood by all that this strange foreign policy indeed "ties the hands" of Greece's American friends. In the U.S. Congress, the support of the five Greek-American congressmen and two senators is not sufficient, and neither is the help of their friends and colleagues in these two bodies. A significant number is needed--more than 230 in the Congress and more than 50 in the Senate--to have legislation passed that is protective of Greek interests. It is difficult to win this cooperation when the friends of Greece must answer the "hot" questions posed by those who are attempting to influence legislation, and are compelled to justify these "curious" activities of the Greek prime minister.

Still greater difficulties arise in the decision centers of the executive power--the White House, the State Department, the Pentagon, where even less sentimentality prevails; Greek circles are mistaken when they maintain that the anti-American statements which have become an almost daily event--on a government level, on television, in the pro-government press--do not harm Greek interests because Americans, somehow, do not take them very seriously.

It is true that in the first 2 years of the PASOK government, the view that Mr Papandreou had achieved, through his leftist policies and with the KKE's tolerance, a "social peace" that allowed him to carry out decisions such as the agreement on the bases which would have provoked "popular" reactions if implemented by a pro-Western government, had gained ground in State Department circles.

In recent months, however, the view that the Greek Government had taken such initiatives solely because it could not act otherwise has begun to prevail. Greece remained in the EEC because the country's economic situation would have been much worse were it not for EEC grants. It remained in NATO and signed the agreement on the bases because it knew that Americans were thinking of transferring the bases to Turkey, an initiative that would have strengthened Turkish influence even more. Moreover, leaving the NATO alliance would have created a tremendous supply problem for the Greek armed forces.

On the other hand, the PASOK government unhesitatingly undertook to undermine the Western alliance at every opportunity. Furthermore, it is daily subjecting the Greek public, through the state-owned television programs, to a barrage of anti-American propaganda whose texts could well have been written by Soviet services. These things do not go unnoticed. And, of course, they only strengthen those circles influenced by Turkish diplomacy.

At the Pentagon in particular, where the anti-communist tendency is even stronger, there are circles which support the view that Greece is no longer a trustworthy member of the alliance, and that for as long as the present anti-American climate is maintained, Greece should be put on the back burner, while giving preference to Turkey (and Italy).

It is not very well known in Greece that a significant attempt has been made (happily with some good results) to convince the highest rungs of the Pentagon and the National Security Council that the strategic unity of the Greek-Turkish area must be preserved. Greece's friends do not neglect to remind them that from ancient times, this area of the Aegean constituted a strategic unity, and that, historically, the empires that were established there--Roman, Byzantine, Ottoman--came crashing down when they lost their foundations in either the Asia Minor, or the Balkan area.

They also note that the Truman doctrine viewed Greece and Turkey as a strategic unity, and that U.S. policy in the post-war years preserved this unity. They add that Greece and Yugoslavia constitute still another strategic unity and that if the latter perceives a lessening of American interest in Greece, it might not show the same degree of decisiveness and insistence in the continuation of its nonaligned policy (which, in essence, means independence from the Soviet Bloc).

Until now, these arguments--based on cold, strategic reality--have produced positive results. However, this does not mean that there is warm support for Greek issues. The relationship is founded on a kind of "obligatory" cooperation, which is carried out only when no other initiatives are possible.

Given the fact that NATO members and especially the Americans have reached the point where they consider the Greek representatives as an untrustworthy and suspicious "faction," it is not difficult to understand why Turkish diplomacy is achieving so many successes.



It would be useful to specify, at this point, that the kind of anti-Americanism which consists in criticizing specific U.S. initiatives that are viewed as harmful to Greek interests, never created problems in Greek-American relations. The United States unfailingly viewed such criticism as permissible and necessary. The kind of anti-Americanism that creates suspicion and displeasure is Marxist anti-Americanism, which views the United States as the bulwark of "imperialism" and is unrelated to what Washington does or does not do for Greek interests. This is the kind of anti-Americanism which is undermining the Greek position within the Western alliance, and which is strengthening the influence as well as the intractability of the Turks.

These simple but genuine elements should not be forgotten by those who bear the responsibility of shaping Greek foreign policy.

CSO: 3521/66

## PASOK LEFT-WING CAMPAIGN AGAINST PRESIDENCY

NC111805 Athens I KATHIMERINI in Greek 11 Nov 84 pp 1, 3

[Excerpts] Cadres belonging to PASOK's left wing are making the recommendation to A. Papandreou that PASOK should also capture the office of the president of the republic. This issue--which had been dealt with in the past by the main collective bodies of the government--again returned to center stage in recent weeks after K. Karamanlis' recent speech in Thessaloniki. It has since been exhaustively discussed in repeated meetings of the PASOK Executive Bureau.

According to our information, the recommendation of these "hard-core" members also incorporates a full-scale scenario for the promotion of this goal which, in any event, has not yet been accepted by Papandreou. At the same time, it also clashes with other--established--internal party positions. It is worthy of note that such positions have nothing to do with the prospects of success of the operation but is rather related to its possible subsequent effects....

In its first phase, the plan provides for discouraging the current president [Karamanlis] so that he will not run for reelection. This will be attempted through personal attacks by PASOK cadres, as well as by the government, to prove that coexistence between the current president and the "government in change" is no longer possible. Development of such a climate, it is believed, will make more feasible a decision by the Central Committee or another collective organ to support a revision of Papandreou's original statement that he supports Karamanlis' reelection.

It is noteworthy that certain PASOK cadres have already moved in this direction--they, rather, acted "on their own volition"--by feeding certain propaganda to the press (constitutional theories about abuse of presidential authority) or through personal attacks against Karamanlis' political contributions, etc.

The inspirers and supporters of this scenario, in any event, stressed that the "war of nerves" against the president of the republic should not lead to an open rift between Karamanlis and Papandreou. If this should happen, it is feared that PASOK would lose all control over developments and the differences would be brought before the Greek people either through a plebiscite or through elections. The scenario writers argue that "Karamanlis must be neutralized without a battle..."

## 'TEXT' OF JOINT KKE-TKP COMMUNIQUE

NC111717 Athens RIZOSPASTIS in Greek 11 Nov 84 p 11

["Text" of joint communique of a meeting between KKE and Turkish Communist Party TKP delegations--date and place issued not given]

[Text] A meeting has been held in a cordial and fraternal atmosphere between delegations of the KKE, headed by Central Committee Secretary General Kharilaos Florakis, and the Turkish Communist Party, headed by Central Committee Secretary General Haydar Kutlu.

At the meeting, the two delegations briefed each other on the situation in their respective countries and on the two parties' struggle. They also discussed the problems in Greek-Turkish relations and the Cypriot issue.

The KKE and TKP delegations denounce the recent executions of and death sentences given to Turkish and Kurdish patriots. The two parties condemn the wave of terrorism unleashed by the Turkish Army against the Kurdish people as well as the continuation of this terrorism in Iraqi territory against Kurdish and other patriots.

These actions by the Evren-Ozal administration have shattered the image of democratization which the Turkish fascist regime had attempted to project. The two parties call upon all the democratic forces, all the people of peace and progress, to strengthen their support for the Turkish and Kurdish patriots who are struggling for an end to the executions and death sentences and for a general political amnesty to all patriotic political detainees.

The TKP delegation briefed the KKE delegation on the increasing resistance by the working class, the intellectuals, and the entire people of Turkey against the fascist Evren-Ozal regime. This resistance places serious obstacles in the way of attempts to consolidate the positions of the fascist regime, which is trying to overcome these obstacles with even deeper hatred and bestiality.

The first steps for joint action by the democratic forces have been made in this battle for the defense of the Turkish people's life, bread, and freedoms.

The KKE delegation expressed to the fraternal party's delegation the Greek Communists' firm solidarity with the heroic struggle which the Turkish Communists and other democratic patriotic forces are waging to rid their country of the fascist yoke and to achieve free political and trade unionist action, a national economic policy that will relieve the burden on the people, the removal of

U.S. bases from Turkish territory, and the recognition of the Kurdish people's national rights.

The two delegations stressed that imperialism, U.S. imperialism in particular, is responsible for the current aggravation of international relations. The installation of U.S. medium-range missiles in West European countries leads mankind even closer to the brink of a thermonuclear catastrophe.

The intensified imperialist intervention and military presence in the eastern Mediterranean region, along with the plans to install cruise missiles in bases in Turkey, as well as the support and encouragement given the Israeli Zionists and Ankara's chauvinists in their adventurous actions, create in this region one of the most dangerous hotbeds of war.

The two parties reaffirmed their desire to do whatever is possible to further expand the peace-loving movement so it will contribute even further to future developments.

Within this perspective, the actions of the Soviet Union and the other socialist countries constitute a substantive basis for the removal of the dangers of nuclear war. Together with proposals by other countries, governments, and quarters of the broader democratic sphere, these actions are significant weapons in the people's battle.

The two delegations particularly stressed the need to proceed with the essential actions needed to establish a nuclear-free zone in the Balkans. They also expressed their grave concern over the continuing Iran-Iraq war, which serves only imperialism and the reactionary forces in these two countries and in the region.

The KKE and the TKP are in firm solidarity with the peoples of Palestine and Lebanon who are fighting against Zionism and imperialism. They express their support of Syria, which is fighting against the threats, extortion, and plans of Zionism, imperialism, and reaction.

They believe that the latest USSR proposals for the resolution of the Middle East crisis are a basic contribution toward that end.

The two parties express their militant solidarity with all the peoples who are fighting against fascism, racism, and imperialism and for peace, democracy, social progress, and socialism.

The KKE and TKP delegations examined developments in Greek-Turkish relations, particularly the problems of the Aegean, as they have developed to date. They jointly concluded that the essence of most of the differences which apparently exist between the two countries in the Aegean appears to stem from their participation in the aggressive NATO coalition.

The U.S. imperialists, by inciting and abetting provocative actions by Ankara's chauvinist circles, as well as a competitive arms race controlled by them, exacerbate and further complicate these differences so that they themselves can play the role of arbiter between the two countries so as to strengthen U.S. and NATO strategic control over the area.



The peoples of Greece and Turkey refuse to have their countries implicated in the dangerous and buccaneering plans of imperialism, which undermine peace and poison relations with the other countries and peoples of the area, which places additional economic burdens on their backs.

The two parties express the conviction that ridding their two countries of the strangling ties of NATO and American domination is the surest way toward a peaceful resolution of the Aegean problems on the basis of international law and practices and in accordance with respect for the territorial integrity and national sovereignty of each country. These are the prerequisites for making the Aegean a sea of peace and for free communication and cooperation between the two countries and among all the countries of the area.

The Cypriot problem has entered a new and more complicated phase as a result of the proclamation of the illegal Turkish Cypriot pseudostate.

The delegations of the two parties condemned this act, which is another step toward promotion of Turkish and U.S.-NATO plans for the partition of the Republic of Cyprus. This act falls within the more general U.S. aggressive plans in the Middle East.

The KKE and TKP stress the need for the widest possible internationalization of the Cypriot issue through convocation of a representative international conference within the UN framework.

They express their firm solidarity with the struggle of the Cypriot people, Greek as well as Turkish, for a nonaligned territorially integrated, sovereign Cyprus without Turkish or other foreign troops and without foreign bases.

The KKE and TKP are joined by close ties of brotherly cooperation based on the principles of Marxism-Leninism and proletarian internationalism. The two delegations have agreed to further expand relations between the two parties for the benefit of both peoples and for peace, social progress, and socialism. They have stressed the need for promoting--in today's critical international conditions--the cooperation and unity of communist and workers' parties, particularly in reference to specific issues such as defending peace, preventing a nuclear calamity resulting from the buccaneering policy of U.S. imperialism, and expanding international anti-imperialist solidarity.

CSO: 3521/68

## BRIEFS

EOMMEKh PRESIDENT'S POSSIBLE CHANGE—Vaso Papandreou (president of EOMMEKh [Hellenic Organization of Medium- and Small-Size Enterprises and Handicrafts]) is slated to become governor of the Commercial Bank of Greece, but it appears that some government officials are not concurring, because she is a member of the Executive Bureau of the PASOK, and would not function in non-partisan fashion. It is also said that the EOMMEKh president has never worked in a bank before and that she is too young for the post. She would be the first woman bank governor, and especially of the second-largest bank in Greece. Nevertheless, the dismissal of the present governor, Mr Boumis, has already been decided, his replacement--in principle--being the young economist, Vaso Papandreou. [Text] [Athens MESIMVRINI in Greek 25 Oct 84 p 1]

CSO: 3521/77

## TALK OF PRESIDENTIAL CANDIDATES ON POLITICAL HORIZON

Soares, Pintasilgo, Balsemao Mentioned

Lisbon O JORNAL in Portuguese 12-18 Oct 84 pp 2-3

[Article by Caceres Monteiro]

[Excerpts] Two presidential candidates already have their hats in the ring, and their decision is apparently irreversible: they are Mario Soares and Lourdes Pintasilgo. And another is emerging: Francisco Pinto Balsemao. Naturally, all of them will delay the formal announcement of their intentions for as long as possible.

Last week there were clear "signals" that Mario Soares and Maria de Lourdes Pintasilgo were preparing to launch their candidacies in the presidential election scheduled for the end of 1985.

Mario Soares' earlier confidence was strengthened after the PSD [Social Democratic Party], through its National Council meeting in Porto, ruled out the possibility of a military candidate.

The current prime minister had seemed to be afraid that Firmino Miguel would be a candidate. He was probably also happy to note the statements by Mota Pinto and Rui Machete, who mentioned the possibility of throwing support to him in the second round if the PSD candidate does not make it to the "finals."

## 1. Pintasilgo: Movement Underway

Lourdes Pintasilgo's inclination to run (a possibility that has been recognized for quite some time) became obvious in September. The former prime minister felt that she was free to make a unilateral decision for two reasons: 1) the lack of political dialogue with the current president of the republic--even though she is his adviser at Belem Palace and despite the fact that she continues to have excellent personal relations with him; and 2) touchiness over the alleged lack of adequate information from those heading up the formation of the president's party--a potential nucleus of support for a candidate.

For many weeks Lourdes Pintasilgo had been subjected to pressure from her associates and friends to begin the process of "precandidacy." The former prime

minister has the support of such groups as MAD (Movement for the Study of Democracy), the GRAAL, and various union groups, and she is well received in various Catholic sectors. Among the promoters of the so-called Eanist party, however, she has fierce opponents, specifically in provincial circles, where there is a preference for a military candidate or a "bigwig" civilian candidate.

And so the decision was made in circles close to Lourdes Pintasilgo to "move ahead." A drive is already well underway to collect signatures by supporters for a possible candidacy committee, and small nuclei and technical groups are being set up. Invitations have also been coming in to visit places likely to help that initiative along. So far, the initiative in question has not been forbidden by Lourdes Pintasilgo herself, although it is difficult to determine exactly how far Pintasilgo (who for several months has been rated highly in public opinion polls) supports those efforts. Apparently, and according to our sources, General Ramalho Eanes is remaining neutral on the subject of her candidacy, neither supporting it nor discouraging it, even though she is dividing the Eanist camp. One of Lourdes Pintasilgo's associates would tell us only that in talking to the former prime minister, the president of the republic usually jokes about the subject. In any case, the new political fact of the movement in support of her candidacy has been causing some disorientation in political and diplomatic circles that are not well informed concerning the oddities of Portuguese political life. For example, diplomatic circles tend to assume that Eanes supports Pintasilgo because she is an adviser in the Office of the President of the Republic. A number of other events, one example being the appearance of a union manifesto originating in the "Pintasilgist" fringes of the labor movement (specifically in Porto), have caused confusion in some political circles and turmoil in the CGTP [General Federation of Portuguese Workers].

Lourdes Pintasilgo is saying nothing in public and seems to be none the worse for it, since she is still riding high in the public opinion polls.

Over the past few days in some sectors linked to the "Eanist party," opinions have been expressed in favor of supporting Lourdes Pintasilgo (this was the case with at least one military figure in the "group of nine"). But resistance continues to be significant.

The PCP's position with respect to Pintasilgo's possible candidacy is not clear, however. The PCP, which has little room for maneuver in this area, is using public statements and behind-the-scenes maneuvers in an attempt to interfere in the choice of a possible candidate representing the presidential party and, in general, as far as the presidential party itself is concerned. Some political observers say that its statements, even when expressing apparent support, poorly disguise the fear that alternative forces will emerge on the left, especially when--as is true of the former CNARPE or the "Pintasilgist" movement--those forces have the capacity for autonomous organization right from the start.

## 2. Soares: Full Support From PS

Mario Soares himself is maintaining a prudent silence, saying only--on his return from Brazil--that it is not yet time to announce a candidacy. In any case,



it was only this week that the movement supporting him was actually launched in the form of statements by various personalities, among them Vitor Constancio and Almeida Santos. As far as the presidential election is concerned, Mario Soares' strategy is to delay for as long as possible on the principle that everything is going his way. Also favorably viewed was the indication obtained at the summit meeting between the PS [Socialist Party] and the PSD that the Social Democrats would not decide the issue of a candidate until after their congress.

Soares is delaying the announcement of his candidacy, and it will be made as late in 1985 as possible. He is also delaying a cabinet reshuffle which, in the final analysis, will serve his purpose--at the very end, he hopes--by reducing the effect of a loss of prestige in public opinion. Also ruled out is the possibility that a PS congress will be held before the presidential election.

But in the meantime, both in the PS and outside of it, the climate is being created for making his candidacy look like a natural fact.

Next weekend, significantly, Mario Soares will begin something that some people might "spitefully" label a "precampaign": he is going to visit the Portalegre District municipality by municipality.

### 3. Balsemao: the Most Discreet

More subterranean and discreet are the contacts aimed at a possible candidacy by another former prime minister: Pinto Balsemao. The current majority in the PSD may be "forced" to "sponsor" a candidate from the wing that lost in Braga. But it also became clear at the congress in Braga that Balsemao's popularity within the party extends beyond the group to which he belongs.

In any case, the possible candidacy of Balsemao (who flatly denies being the source of reports concerning his possible intentions) may assume more definite shape over the next few weeks so as to be better organized when it reaches the party's official bodies than the unsuccessful launching of Mota Amaral was.

### Pintasilgo's Enemies

Lisbon SEMANARIO in Portuguese 13 Oct 84 p 3

[Editorial by Victor Cunha Rego: "Lourdes Pintasilgo"]

[Text] According to public opinion polls, engineer Lourdes Pintasilgo is the candidate for presidential candidate with the most votes. Those votes are scattered throughout the country and throughout the middle class. It is not the poor who are placing great hopes in her. As has been said before, the poor prefer queens covered with jewels. They feel more secure with money than they do with good intentions.

It is the middle class, from the left to the right (and especially, by sociological definition, on the right), that sees in this candidate the protagonist for its corporatist yearnings mixed into a broth of modernist culture. But in all

things moderation: the Catholicism of the candidate for candidate is unquestionable. In addition--and many people forget this--the candidate for candidate is an authoritarian person, a fact that makes her remaining hypothetical virtues even more outstanding in the eyes of those who, like the positivists, want order and progress.

Lourdes Pintasilgo has enemies on the right. But the dreaded opponents are looming up on the left.

That Left is afraid that in the final analysis, the appeals from Rome may overcome other appeals at crucial moments. It fears unbridled populism, since it knows where populism starts but not where it will end. It fears the independent intellectuals surrounding her. It is afraid that the fact that she is a woman may be ridiculed during a tough campaign. It fears the relative good image bestowed on her by American computers. And as far as the PCP is concerned--and this is what counts most--Lourdes Pintasilgo is the classic "uncontrolled event" within the Left, and that is the most dreadful mishap that can befall orthodoxy. Up to a point, she is to the PCP what Spínola was to the Right. One never knows who is going to pay in the end: the righteous or the sinners.

Those fears are of such magnitude that it is not impossible that the Left will try to destroy its most popular figure.

But it will be difficult to reject Lourdes Pintasilgo. Who could replace her? Eanes is ineligible. According to Cunhal, Mario Soares is the "Right's candidate." It appears that Nobre da Costa is not well. Garcia dos Santos has lost his military administrative strength. Costa Bras would have to be transformed overnight into a David fighting the Goliath of corruption. Loureiro dos Santos has no support. Melo Antunes has no charisma. Salgado Zenha does not have the PS. Cunhal has only the PCP.

Because of all that, only a veto by General Eanes will prevent Lourdes Pintasilgo from becoming a candidate. Is the president disposed to do that? It is possible that the answer is yes because Lourdes Pintasilgo may lose to Mario Soares, Eanes's enemy No 1, in a second round. But without her, will it not be easier for the "Right's candidate" to win?

That is the dilemma.

Because of Eanes's lack of a philosophy of its own, the answer lies, as is known, in the fate of the coalition and in what is decided by the PSD and PCP in presidential terms. Those are the only parties that can deprive Mario Soares of his chance of getting past the barrier of the first round in the presidential election. Or of ensuring that he will go into the second round in a strengthened position.

No one knows what the PSD will decide.

The collapse of reformism is inevitable--the PCP's Leninist Jacobinism, added to the people's lack of faith in the institutions, is enough and more to bury it--if the PSD does not know what it wants (regardless of what that might be). And nobody knows whether it knows.

On the other hand, if the PCP decides to run its own candidate and does not support Lourdes Pintasilgo until the end--if she is a candidate--Mario Soares can hardly fail to reach Belem Palace.

It is for that reason that if the Eanist party is born on the 27th, probably in Vila da Feira, it will wait to see what the PSD decides to do about a presidential candidate and what the PCP tells it. And Lourdes Pintasilgo, who will be a natural candidate if the Eanist party is not formed, is probably also waiting. If she did not do so--if she were to force the president's hand by announcing her candidacy now--she would be determining the future of Eanism and General Eanes instead of the other way around. And it appears at first glance that that would really cause political turmoil in this country.

#### Pintasilgo Independent of Eanes

Lisbon EXPRESSO in Portuguese 13 Oct 84 p 1

[Text] Maria de Lourdes Pintasilgo's possible candidacy for president of the republic will not depend on support from Ramalho Eanes or the former CNARPE. So says the former prime minister in an interview that will be published in the "Magazine" section of EXPRESSO's next issue. With that interview, Pintasilgo is breaking her long silence.

Admitting that she is considering the possibility, Pintasilgo says that her decision will depend on subjective and objective factors, chief among them the way in which her position in various public opinion polls holds up, the personal contacts she has been establishing in various parts of the country, the possibility that a national movement will arise to ask her to run, and the question of whether or not there are other nonparty candidates.

Developing the idea of what she considers the need for a new political culture informed by the development projects and, especially, by the technical-scientific developments of recent years, Pintasilgo says that the social movements resulting from those changes must be reflected at the state level. On that basis, she sees the need for a presidential candidate not directly representing any political party.

If she were to become a candidate, her candidacy would therefore be "strictly independent of the parties." Pintasilgo says: "I want to state clearly that if I decide to be a candidate, I will certainly not be a candidate against the parties. Rather, my candidacy will be an assertion that there is too much emphasis on political parties in Portuguese life."

Maria de Lourdes Pintasilgo says that if the former CNARPE is turned into a political party, her possible candidacy will have to be just as independent of that group as it is of the existing parties, although she hopes that if the party is formed, it will be able to contribute to a general reorganization of party activity, a development she considers indispensable.

## Pintasilgo Bio Data Corrected

Lisbon SEMANARIO in Portuguese 13 Oct 84 p 9

[Commentary by Jose Teles: "Lourdes Pintasilgo Advances Toward Belem Palace"]

[Excerpts] The die is cast. Maria de Lourdes Pintasilgo has crossed the Rubicon. She will not be a woman or anything else if she is not elected to the presidency of the republic.

But it will take some time before the desired slogan "Pintasilgo for president" appears in hearts and on walls. Formal announcement of her candidacy will have to wait until the end of the year--we are assured. For now, the engineer herself is very busy and does not have time even to say "hello" to a reporter who wants to see her. "Busy with what?" we persisted. "Well, as adviser to the president of the republic to begin with."

Her secretary, Alfreda Fonseca, told us: "Also at the United Nations University, located in Tokyo, on the Inter-Action Council of Former Heads of Government, at the World Policy Institute, on the Curatorium of Pax Christi, in the GRAAL, and in MAD."

We confessed that we were impressed by such an overwhelming bio.

### Bio for Foreign Consumption

But when engineer Pintasilgo's bio was sent to us through the good offices of her secretary Alfreda, we were more than impressed--we were thrilled. It started off by saying\*: "Maria de Lourdes Pintasilgo, 54 years old, is a chemical engineer who has worked for several years in the R & D Department of the biggest compound [as published; presumably complex intended] in Portugal."

"Wow! A lady engineer!" said that part of the reporter in me that can still be thrilled. "Biggest compound" is the best thing there is for the biggest campaign to occupy the biggest job, right? It is a pity, however, that the "biggest compound" does not have a name so that people would recognize it and foreigners could be envious.

The bio is also exciting in other passages, but a little vague. It says that "she was a member of one of the Houses from 1969 to 1974"--but does not say which "House" she was a member of--and it says that she was "minister of social affairs in the first provisional government after 25 April 1974"--which is not true; she was a minister only in the second government. In the first, the minister's name was Mario Murteira. But those facts are secondary: they are out-ranked by her work in the "biggest compound" (No 1), her struggle in the "political arena in the 1970's" (No 2), and her involvement in women's movements and also in Christian organizations--dating back to her university days--in "leadership positions" (fact No 3 in her vast bio).

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\* [All quotations from the bio are in English in the original.]



Her secretary confided to us that the lady engineer knew Kurt Waldheim when she was a student and leader in the JUC [Catholic University Youth]. And here we had been thinking that Kurt Waldheim was quite a bit older than the lady engineer. He must have studied at the university as an adult some time before becoming secretary general of the United Nations, "where he collaborated with Pintasilgo, who was in UNESCO"--as perhaps her bio will say when distributed to Austrian reporters in Portuguese.

That sums up the data we obtained from the candidate's office and the form in which we received them. They did not add up to much. We went looking in other places.

Poster at Damiao de Gois Institute: "New Political Landscape"

We started with the Damiao de Gois Institute. A strategic spot for social research, it is dependent on Belem Palace, and its windows face Sao Bento Palace, in the proper meaning of that expression. There we were affably received by Major Sousa e Castro. On the wall was a poster seemingly related to the object of our inquiry. It was a photograph of a smiling Maria de Lourdes Pintasilgo flanked by Eanes and Soares, both looking stiff and out of their depth. There was a significant caption: "Presidential timber--a new political landscape."

But Sousa e Castro assured us that the poster had nothing to do with preparations for any campaign. "I carry out studies here. Here on these charts I have the record of abstentions in recent elections: the vote for Eanes and the vote in the legislative elections. The idea is to project what might happen in a number of elections if the Eanes factor were not involved."

We noted that Sousa e Castro was not supporting anybody. He is a military man who was assigned to the institute. He would not talk about Lourdes Pintasilgo. Not even to give a few hints.

Lists Circulating With Secret Names

But there are those who know. There are lists circulating around the country, we were told by someone who is involved but who, for professional reasons, wants to remain anonymous. Those lists include the name of one "person responsible for the list" and a maximum of 15 other names. They say only: "I support the possible candidacy for president of the republic of engineer Maria de Lourdes Pintasilgo."

They number in the thousands and are in every district. More than the embryo of an apparatus, they are the very framework of the apparatus that will support the candidate. Let there be no doubt about it.

Support by the parties? There is none. "But we have important people in the CDS [Social Democratic Center Party], the PSD, and the PS." Who are they? "I cannot tell you that yet."

How about General Eanes? And the PCP? The problem comes from them. As befits his personality, Eanes will remain enigmatic until election day. The rumor that

he is giving the green light to anything is just an invention by reporters--pardon the expression. The PCP is not a threat. For that matter, neither is the PS: over half of its voters, according to the polls, prefer Pintasilgo to Soares. The reason is that the rank-and-file support for Pintasilgo's candidacy is to be found in the center. And she is a practicing Catholic; Soares is not.

That is what we know. And one thing is certain to this observer (we did not end up signing the list of supporters, although urged to do so): Maria de Lourdes Pintasilgo is advancing. And her supporters are thrilled.

#### Soares' Possible Heir

Lisbon 0 JORNAL in Portuguese 12-18 Oct 84 p 4

[Text] Mario Soares, prime minister and secretary general of the PS, has made it known to high-ranking figures in his party that if he decides to run for president of the republic, power within his party will pass temporarily to the standing committee. This was learned from reliable sources by 0 JORNAL.

The question of his "heir apparent" (an expression which Soares rejects, incidentally) would only come up, therefore, if he were elected. In that case, those with the best chances for succeeding Soares would be Almeida Santos and Vitor Constancio (if the number one man in the party and the government turns out to be the same man) or Eduardo Pereira (if those posts are divided). Circles within the PS believe that the "Gama hypothesis" has been losing ground recently.

The question of succession in the government may come up sooner than that, since Mario Soares will have to give up his post as prime minister in the autumn of 1985 to be a candidate.

But this is an open question and one that depends in particular on relations with the PSD. If the coalition continues, Mota Pinto may become head of the government.

If things turn out differently, Mario Soares might "choose" Vitor Constancio, but it is rather doubtful that the current deputy governor of the Bank of Portugal would accept.

Sources in the party confirmed to us that although not announced, as they usually are, in the official PS newspaper ACCAO SOCIALISTA, meetings will be held this weekend (on Friday and Saturday respectively) by the political and national committees of the PS. The question of local governments in particular will be discussed at those meetings.

To prepare for those meetings, the "former secretariat" group met on Thursday evening. Vitor Constancio has always attended those (semiclandestine) meetings by the minority.

His statement of support for Mario Soares as a presidential candidate will not be challenged by that group, where there has long existed a consensus of support for the secretary general's candidacy.

Last weekend in Coimbra, a meeting was held by the group promoting the "document of the 400," which O JORNAL was the first to disclose. Some reservations concerning support for Soares were expressed at that meeting by members from the provinces. But "national figures" who also attended said that the party would eventually decide to support Soares and that everyone in the minority would have to accept that decision.

That "flip-flop" in the stand taken by members of the "former secretariat" is detectable in the reservations many of them have begun to express concerning their possible cooperation in the plan for the so-called Eanist party.

However, the "former secretariat" group is not expected to demand that a congress be held to choose the presidential candidate. As a result, the next PS congress will not be held until March or April of 1985.

11798

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## PINTASILGO SEEN AS EANIST CANDIDATE WITHOUT EANISM

Lisbon DIARIO DE NOTICIAS in Portuguese 14 Oct 84 p 2

[Editorial: "Eanism Versus Eanism"]

[Text] For months on end, the name of Maria de Lourdes Pintasilgo has appeared at the top of innumerable public opinion polls, most of them commissioned and published by two weekly publications with opposing ideological views but nonetheless interested, although for different reasons, in promoting the former prime minister as a possible candidate for president of the republic. This seems to have been the week chosen for openly starting the drive to launch that candidate by sending out canvassers to collect signatures of uncertain origin.

In the view of certain sectors on the left that are "nonaligned" but apparently open to new experiments with a political party--such as the one being tried by a few members of the former CNARPE--Pintasilgo comes across as a "natural" candidate and a source of multiple combined virtues that will theoretically enable her to attract differentiated support from the electoral fringes of almost all sectors. Because she exhibits Third-World leanings that please almost all those who cultivate a certain active alienation with respect to the parties on the traditional left, she is guaranteed the favors of dispersed intellectual "elites." Because, simultaneously, she has already demonstrated a degree of adroitness in handling populist techniques, she will embody the hopes of the disinherited. Because she is a "progressive" Catholic, she will have some of the militant Christians on her side. And lastly, because she once headed a government appointed by the president and has been presented from the first as an "Eanist" candidate, she holds the trump of trumps for reaching Belem Palace--the trump card that will enable her to penetrate voter groups in all parties from the CDS to the PCP.

The picture as presented is too idyllic to merit unquestioned credibility. The left-leaning aspect of Maria de Lourdes Pintasilgo's image eliminates from the start the possibility that the former prime minister will garner support from groups on the right or even the center and center-right that were represented in the CNARPE in 1980, they having gradually distanced themselves from the moves that have been leading for years toward establishment of the much-discussed Eanist party. Nor is it certain that what remains of the CNARPE--the remnant that gave rise to the Abrantes movement--will be able to form a support base and starting point for Pintasilgo's candidacy. This is proven by the polemical



interview granted to the French magazine TEMOIGNAGE CHRETIEN about a month ago by Melo Antunes--in which aloofness from the former prime minister was obvious--and by the statement by Herminio Martinho, one of the Abrantes movement's most active "agents," to the weekly O JORNAL: "We have nothing against Maria de Lourdes Pintasilgo's candidacy, but that is not a matter that concerns us at the moment." It is also doubtful whether the PCP itself is interested in backing a candidate whose potential voters most closely resemble Otelo's voters in 1976 and 1980, or whether all the activity surrounding the "possible candidate" has the backing of Ramalho Eanes or even a promise of his backing later.

In those conditions, Pintasilgo is starting out by relying on herself and not much more: unattached "fringe groups" that are inadequate for making someone president. On the other hand, she does enjoy a degree of "understanding" that is somewhat surprising, but not at all innocent, among certain rightwing sectors of the PS, which never tire of presenting her as the face of Eanism without Eanes in the 1985 presidential election. But that "understanding" is only surprising at first glance. Actually, Lourdes Pintasilgo would be a good "Eanist candidate" (especially if Eanes does not support her openly), since it is not likely that she would draw votes on the right, and at the same time she would prevent the emergence of another "Eanist candidate" who might be even more dangerous to that same Right. Under cover of Eanism, therefore, the maneuvering that surrounds Pintasilgo may turn out to be the best weapon against Eanism.

11798

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## OTELO'S ROLE IN FP-25 AFFAIR DISCUSSED

## Explicitness Demanded of Government

Lisbon O JORNAL in Portuguese 12-18 Oct 84 p 2

[Editorial: "Public Justice"]

[Excerpt] Concerning the FP-25 [People's Forces-25 April] affair, it is possible that the judiciary has never had such general support for clearing up a matter of public interest. Not only because terrorism lives on terrified national feeling, but also because someone like Otelo Saraiva de Carvalho is behind bars. "Terrorism must be stopped" is the demand from the man in the street, who also wants to know the full truth concerning Otelo.

The citizens know, however, that the truth about Otelo will be bitter in any case: either he is guilty, in which case he must be punished, or he is innocent (which is what all democrats and other Portuguese of good faith with any memory hope), and in that case, this country's democratic government will have a historic duty to come out in the open with a public retraction and a loyal act of contrition, providing unequivocal proof that if anyone has toyed with the symbol of 25 April as a means of sullyng 25 April, that someone has been or will be punished with the same severity as that with which the democratic government was preparing to punish Otelo if he had been found guilty.

But in the meantime, nothing is happening, and there are several reasons why we should be concerned: there are increasing indications that some of the prisoners (several of whom are on a hunger strike) may have no connection with the FP-25 organization or even with the FUP [People's Unity Force]--a party suspected of being the FP-25's legal arm--and do not even know what crime they are being accused of. The relatives of some of them are complaining that the conditions under which they are being held violate the rules in effect, and deputies who have tried to verify those allegations on the spot have met with attempts to prevent them from exercising their duty and right--which, to their credit, they are not abandoning.

As the culmination of this series of strange omens, there is now a report that the investigating magistrate is going to decide to keep all the prisoners in prison, including Otelo, on the grounds that there is sufficient evidence for indicting them.

No aware person can advocate the existence of two standards--two different laws--one for ordinary citizens and another for notables. But just as notables have special responsibilities to the people and to history, so the various branches of government must be doubly careful: what if it turns out that the charges brought against Otelo are inspired by concealed agents, not because of his possibly illegal actions but because of what they symbolize and some people detest?

The FP-25 affair cannot continue in the twilight zone of "leaked" information or sporadic neglect of the rules of "judicial secrecy." Democratic purity requires that if it arrests someone, the government must clearly state why it is doing so. Otherwise it is denying itself.

#### Otelo's Position Seen Delicate

Lisbon DIARIO DE NOTICIAS in Portuguese 17 Oct 84 p 6

[Editorial: "FP-25: New Phase"]

[Excerpts] Of the three phases constituting a trial--investigation, cross-examination, and judgment--the first has been completed: the filing of indictments against Otelo Saraiva de Carvalho and 77 other defendants in the FP-25 case is putting an end to doubts which, on certain occasions during the past 4 months, were felt to exist among the investigators concerning the basis for the arrests made and the arrest warrants issued. With the investigation phase completed and the charges formulated, the Public Prosecutor's Office is making clear and assuming public responsibility for its firm belief that the investigations have resulted in sufficient evidence for proceeding with the trial.

The charges against all the defendants, and especially Otelo Saraiva de Carvalho and four others now in custody, are serious.

The Public Prosecutor's Office unquestionably feels that Otelo is the leader, since it presents him as a "personalized and charismatic component acting as the motivation and historical-political guarantee of the viability of the plan and the credibility of the organization." For his part, Romeu Frances, defense attorney for the man who was strategist for the coup of 25 April, denies that his client has ever been linked to the establishment of any group other than the OUT and the FUP, whereas the indictment places the origin of the FP-25 in the development of the Revolutionary Brigades following the split with the PRP [Revolutionary Party of the Proletariat] and in its relationship with other organizations, specifically the OUT and the FUP. Romeu Frances again draws attention to what he considers a "mistake" in the investigation: the FUP, he says, has nothing to do with the FP-25. Besides, the FUP itself has made every effort to eliminate its image as the "legal face" of the FP-25--an image which, directly or indirectly, the investigators have fastened on it. For the present, nothing has emerged from this ping-pong game to enable public opinion to make any judgment.

But regardless of the evidence contained in the indictment and the arguments that will be developed by the defense attorneys in the cross-examination phase

that has now begun, present indications are that Otelo is in a delicate position. It will be up to the court to decide concerning his innocence or guilt, but if by chance the charges are proven, Otelo will have uselessly sullied the period of glory reserved for him by history.

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## JARDIM PRESIDENTIAL CANDIDACY STRONGLY ADVOCATED

Lisbon O DIABO in Portuguese 16 Oct 84 p 2

[Editorial by Jose Miguel Judice: "Victory of a Champion"]

[Text] Regardless of the criterion applied, no person of good faith can fail to conclude that the PSD [Social Democratic Party] has scored resounding victories in the regional elections in Madeira and the Azores. The results achieved after 8 years of government without coalitions prove, among other things, that it is possible for a party bearing the burden of government to win election victories even in periods of crisis. They prove that it is possible to motivate voters to vote even when convinced that the outcome is already decided because of the disproportion between the PSD and the opposition parties. They prove that a degree of lofty personalization is indispensable.

That was the essential point of the election results, considered as a unity and overall. But if we move on to a detailed analysis in terms of each autonomous region, it must be concluded that the big winner in those elections was Alberto Joao Jardim. Beyond his overwhelming victory, he was able to overcome the specter of abstentions (which were all the more probable in that the result in Madeira was expected), he was able to meet the challenge represented by the increase in the number of deputies (it was naturally expected that the six additional seats would be filled by the opposition parties owing to the Hondt method's system of remainders), and he demonstrated his ability to show the restraint and calm in the hour of victory that mark a favorite politician.

It was a victory by the PSD in each region and a victory by Jardim and Mota Amaral, especially the former. It is therefore natural that, as the media immediately began to do, there should be an extrapolation to the national level and an effort to foresee what the results will be on that level. And on that point, the first and important conclusion is that if Alberto Joao Jardim is not going to be the PSD candidate now, it will be only because he does not want to be. In fact, the resounding victory that was won (80 percent of the mandates, five more seats, and a crushed opposition) probably means that Alberto Joao has become a precandidate with the seal of victory, that no PSD member is in a better position to win, and that it will be difficult to convince the PSD's national advisers that it is preferable to go looking outside the house for a candidate who is untested in election battles when there is a champion within the walls.

If he chooses not to be a candidate (and if he does so choose, he will be doing so after it has been proven that he is fully qualified to be one, thus proving as well that there is nothing ridiculous or Machiavellian about the idea), it will be very difficult for anyone not supported by Alberto Joao Jardim to be a PSD candidate. Things are what they are: in every democratic system, there exists the pattern of so-called "grand electors"--that is, people whose politico-sociological importance is such that they are what some people call kingmakers. The two most powerful figures in the PSD today are Jardim and Mota Amaral, and of those two, these recent elections gave the primacy to the Madeiran leader.

That is why Mota Amaral, with the shrewdness he is known for, said it was advisable to hold an island summit meeting--which has been postponed for almost a year--before the end of November. That meeting is to be viewed as reflecting a desire to try to negotiate harmonious positions with Alberto Joao in preparation for the special National Council meeting, where the PSD's presidential strategy is to be determined, and, by that means, to lay down strict conditions for choosing the individual to be presented to the voters. That is also why Alberto Joao, in an intelligent anticipatory move, had said a few minutes before the proposal by his Azorian colleague that one of the conditions applying to a PSD presidential candidate was that he must be supported by both of the regional parties.

So the conditions have been stated as far as the presidential issue is concerned. We already have two candidates in the running: Maria de Lurdes Pintasilgo, queen of the public opinion polls, and Mario Soares, the candidate for the system. There will certainly be a third candidate, and he will be Alberto Joao Jardim or someone who is supported by him and Mota Amaral and who will stand up for the program which the Madeiran leader has been advocating and which, in this hour of success, he will have less reason to give up. That third candidate, if he is not Jardim, will certainly not be a PSD member, since no one else in the party can match the Madeiran politician's unequalled qualifications. There may be a fourth candidate backed by the CDS [Social Democratic Center Party], although in theory, one cannot rule out the possibility that under certain conditions that will not happen. The PCP has been left without any possible strategy thanks to Pintasilgo's independent candidacy, and the same is true of the CNARPE, which is looking more and more like a stillbirth.

I have privately been supporting the idea that Alberto Joao Jardim is the most suitable person to be the PSD's presidential candidate. The sensibilities of the party to which I belong prohibited such a stand at a time when the logic, reasonableness, and strategic-political sense of the proposal was not so obvious. That is no reason to find it strange that I am now insisting on that approach and am here issuing a public appeal to Alberto Joao Jardim to agree to be the PSD's candidate. It is obvious that from his standpoint, it is probably safer and more prudent to simply pick a candidate who will implement his ideas. But no one will implement those ideas better than he himself. Everything depends at this moment on Alberto Joao. And there are moments in a person's life when decisions must be made alone. Those are the great moments: the ones that are worth experiencing.

11798

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## RESULTS OF PS-PSD MEETING ANALYZED

Lisbon EXPRESSO in Portuguese 13 Oct 84 p 3

[Article by Pedro d'Anunciacao]

[Excerpt] The final communique concerning the PS-PSD [Socialist Party-Social Democratic Party] summit meeting, which was held last Monday, reflects an atmosphere of great calm within the coalition. The document satisfied the Socialists by saying that it would be premature to discuss the presidential issue, and it gave the Social Democrats cause for satisfaction by anticipating a revision of labor legislation and approval of the Law on Incomes. But a date for implementing the last-named measure was still not set.

However that may be, there was an unequivocal reaffirmation of the intention to continue the government coalition through the remainder of this legislature--that is, until 1987. And the leaders of both parties emphasized the good relations existing between them.

A source very close to the prime minister explains the success of the summit meeting by the fact that detailed and exhaustive preparations were made for it by Mario Soares and Mota Pinto to prevent any other leader in attendance from precipitating events.

But Soares seems to have been overly optimistic on leaving the meeting. The above-mentioned source says it was agreed at the meeting that the presidential issue would not be dealt with by the coalition before the PSD congress, which is scheduled for March of 1985. The secretary general of the PS, assuming in addition that the major groups in the PSD will not accept a military candidate (the only possibility which might, in his view, be harmful to him), is concluding that he has thereby guaranteed his success in the race for Belem Palace.

People close to the deputy prime minister assure us, however, that nomination of the PSD candidate is still scheduled for January. On the other hand, they emphasize that the idea of a military candidate--specifically Firmino Miguel--has in no way been ruled out, although they insist that everything will be done not to endanger the middle bloc's coalition agreement.

For his part, a spokesman for the Mota Amaral group says he is certain that even if Mota Pinto tried to postpone the presidential issue until after the congress

in March 1985 (a delay that would seriously jeopardize the success of the party's candidate), he would not be able to do so. And the spokesman emphasizes that even at the latest National Council meeting, only one vote saved the Social Democratic leader from having to make a quick decision on the party's candidate. It is therefore conceded that in November, Mota Pinto may induce the National Council to limit itself to a general debate on the problem. But the decision will have to be made in January.

11798

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## BRIEFS

AGREEMENT WITH MOZAMBIQUE--The terms of an agreement between Portugal and Mozambique concerning technical assistance in the field of meteorology have been published in the DIARIO DA REPUBLICA. The Portuguese Government pledges to support, organize, and install laboratories for electronic support and for meteorological and geophysical instruments and to establish a data processing center as well as a file on agricultural meteorology. Portugal will also help Mozambique with study and research in the fields of climatology, agricultural meteorology, hydrology, radiation, and geophysics, as well as in other fields of interest to the Mozambique Meteorological Service. [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 13 Oct 84 p 4] 11798

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## DEBATE ON NEED FOR SUBMARINE FLEET IN ARMED FORCES CONTINUES

## SDP's Damgaard Cites New Arguments

Copenhagen BERLINGSKE TIDENDE in Danish 5 Nov 84 p 11

[Article by Knud Damgaard, member of parliament and SDP defense spokesman]

[Text] The defense minister is still thinking of building Danish submarines over the next 10 to 15 years. He claims that the Research Council has said that there will be no substantial improvement in the possibilities for detecting submarines in the Baltic Sea in that period. I would like to see the commission directive on which the Research Council based that conclusion. The reason I am skeptical about the basis on which the investigation was made has to do with the assignment given the council when it was asked to look into various alternatives to submarines in the Baltic.

If the investigation of the possibilities for detecting submarines was based solely on the listening devices we have today and the probable development in that area, then I agree. But I am quite sure that the experts on the Defense Research Council would concede that quite different detection possibilities are being developed rapidly.

The Americans have conducted satellite studies that show that with the help of data processing one can use changes in movement on the ocean surface to accurately determine the presence of an underwater craft in that location. Recently we had confirmation that the Soviet Union is also in possession of similar methods. I am sure that the Research Council's experts also realize that new possibilities are already on the way.

If we concern ourselves with submarines in the Danish armed forces, and that is what will happen through the advisory and analytical group, it will be possible to evaluate the possibilities of using submarines in light of such things as solutions that cut across service lines. That is what we need and can afford. That is why I presented my own views on the real nature of the threat, which the minister deftly skirted in his reply.

The minister's reply on the limited use of submarines--measured in terms of speed and surveillance range--was something I really cannot understand. He

said that submarines can be at the right spot at the right time with the proper weapons. Does the minister think an enemy would be dumb enough to cross the Baltic where the water is deepest and where submarines can still conceal themselves?

No, the enemy will move along his own coasts, of course, where we may assume that he has a large number of helicopters equipped to find and destroy submarines.

The water is shallower along these coasts than the level the navy requires for insuring the safety of submarines. An invasion fleet will naturally cross the Baltic where the water is lowest, which is on the western side of Bornholm.

This is confirmed in an article in which a Lieutenant Commander Lutz Bieber spoke of one of the underwater vessels we might lease from West Germany. In the article he says this: "However the submarines are not very suitable for the actual defense of the belts at the exit of the Baltic. Either the water is too shallow--we prefer to have 20 meters or more--or there are deep troughs that are so narrow that it would be hard to slip away if one is detected. East of Bornholm the waters are much better." Thus it is in this light that we should evaluate the importance of submarines.

When it comes to alternatives to submarines it is reasonable to note that a fully developed teletorpedo already exists. It is an underwater weapon that does not need a platform. It is a target-seeking torpedo that we can deploy in our most outlying territories and it would provide far greater security against an invasion fleet headed for the coasts of Denmark. The basic price is admirably suited to us. At the time this torpedo was put on the market, the price was around 1.5 million Danish kroner per unit. In other words we could buy 400 teletorpedoes for the cost of building a single Danish submarine.

This torpedo has the weakness that it can be jammed, which makes it less effective. But it has been documented that alternatives in the form of mine torpedoes that are coded to seek out certain types of ships will become a practical possibility within the next few years. Therefore it is unreasonable that the Research Council has not had an opportunity to look into these things in depth. We must now look into these things--with respect to alternatives as well as with respect to cross-service solution models which we will have to emphasize in the future.

When the minister makes ironic comments about the desire of the Social Democrats to have a defensive military system and says that it is hard to conceive of the F-16 plane as a defensive weapons platform, I feel compelled to say that the F-16 with its present weapons is certainly an offensive platform, but the minute we equip them with missiles instead of bombs they will become platforms that have the necessary range to operate against naval units from our own sovereign territory. Since we have agreed jointly that the F-16 should be equipped in this way, I cannot see that this matter should create any controversy between the Social Democrats and the government parties.

## Damgaard's Position Challenged

Copenhagen BERLINGSKE TIDENDE in Danish 10 Nov 84 p 11

[Article by head archivist Hans Christian Bjerg]

[Text] This is getting embarrassing! With each new article in the debate on submarines in the Danish armed forces that Social Democratic defense policy spokesman Knud Damgaard produces, he increasingly reveals how little he knows about military strategy and operational topics and conditions. Knud Damgaard presents his views with a cocksureness that experts in the field can envy.

Damgaard has decided to have submarines removed from the Danish armed forces. He says that we have had submarines in Denmark for 75 years now and it is time they were retired. Apparently the Social Democrats' allegedly constructive policy for the elderly is not being extended to submarines. In spite of what Damgaard says, all experts agree that submarines are extremely well-suited to advanced defenses in the Baltic. Internationally Damgaard stands quite alone. Submarines are being built everywhere--also by other Baltic powers--and submarines are being given a higher and higher priority by everyone. But Damgaard is not one to admit that he has been lured into a mare's nest even when he is confronted with cold facts that contradict his opinion.

As an argument against submarines Knud Damgaard has said that locating subs with the help of laser beams is no problem at all. In practice, however, there have been so many problems involved with that method of detection that its value is very limited. Then Damgaard said that the Soviet Union had special planes which could carry landing troops to Denmark in the event of an assault. Submarines would thus be superfluous in the future. Next Damgaard said that subs could easily be detected from satellites. Of course this argument applies to all military materiel and not just submarines, quite aside from the fact that this procedure has no practical significance in such a narrow area as the Baltic Sea. It might be useful under very favorable conditions in the large ocean areas. None of the arguments advanced could be used and Damgaard then said that increasing the Danish contribution to NATO's infrastructure program would force us to give up our submarine fleet.

After these outrageous arguments many people have been waiting to see when Damgaard would fire his next shot into the mist without hitting anything. This has now happened in BERLINGSKE TIDENDE on 5 November when Damgaard wrote that it was an argument against submarines that in the event of an attack the Soviet Union would bring its troops to Denmark along the coast. Of course we have no information about this and at any rate that would not be the only way. The reasoning that lies behind Knud Damgaard's argument is remarkable in itself. He quotes a section from an article by a German naval officer, who says that submarines are not well-suited for the defense of inner Danish waters, meaning the straits, but that they can be placed in a beneficial position in the waters east of Bornhold where there is enough water. The German naval officer would undoubtedly be very surprised to see how his views could be distorted, since his statements were intended to defend the use of submarines in



the advanced defense of the Baltic. Damgaard here gives a good example of how certain men read a given work.

Thus Damgaard is out with his botany collection box to gather a bouquet of extraordinary, nonobjective and irrelevant arguments against submarines. I would think the Social Democrats would soon discover that Damgaard is making the party's defense policy more and more unbelievable and diffuse. One minute, according to Damgaard, we should not have submarines because enemy troops will be flown in; the next minute we should not have submarines because troops will be sailed in along the coast. Where is the continuity in that, when we also know that one of the things that would interest the Soviet Union strategically in occupying Denmark would be to guarantee the passage of naval units? But these units would have to sail over Danish and West German submarines east of Bornholm whether or not Soviet troops came to Denmark. Incidentally Damgaard seems to have the incorrect view that detecting a submarine is the same thing as vanquishing it. As we know, the two things are far from being identical.

Knud Damgaard should stick to the political issues and leave the rest to the experts. That is what is done in all other areas. Otherwise the next thing we know, Knud Damgaard as a politician will be meddling in what kind of cement should be used for the Faro bridge.

6578

CSO: 3613/28

## TEXT OF LAW ON R&amp;D FOR AMX, EH-101, CATRIN PROGRAMS

Rome INTERARMA NEWS in Italian 12 Sep 84 pp 483-484

[Text] The Official Journal--No 223 of 14 August 1984 dated "Selva di Val Gerdena, on 6 August 1984" published the "Law of 6 August 1984 No 456--Programs of research and development--AM-X, EH-101, CATRIN" in the field of aeronautical and telecommunications construction, which the Commission of Defense of the Chamber of Deputies approved in early August in its legislative offices. The text of the journal reads as follows:

"The Chamber of Deputies and the Senate of the Republic have approved; the President of the Republic promulgates the following law:

## Article 1

For the financial years 1983-89 the minister of defense is authorized to undertake commitments of up to 996 billion lire in order to carry out the research and development programs listed hereinafter, and to produce, in collaboration with other countries, in the aeronautical and communications fields:

fixed wing aircraft with the primary mission of support for land forces and secondarily, assistance in the air defense of the national territory (AM-X);

rotary wing aircraft for anti-submarine defense (EH-101);

field communications and information system with the mission of satisfying data gathering and acquisition requirements at the armed corps level (CATRIN).

The expenditures relative to the above paragraph are broken down as follows: 470 billion lire for the AM-X program, 300 billion lire for the EH-101 program, 226 billion lire for the CATRIN program.

If the contractual relations deriving from the implementation of the above programs should imply the participation or, in any way, the collaboration of foreign countries either directly or through the intermediary of multinational agencies or bodies, the minister of defense is authorized to stipulate contracts or to accept commitments with the limitations of the entire sum taking into account to this end the amounts to be reassigned to the

balance under the above heading in the sense of Article 21 of the single text adopted by royal decree the 2nd of February 1928 No 263.

## Article 2

The provisions contained in Article 3 of the law of the 16th of February 1977, No 38, in Article 2 of the law of the 22nd of March 1975, and in Article 3 of the law of the 16th of June 1977, No 372 are respectively applied to the projects and contracts set forth under Article 1. In the case in which the relative expenses are not attributable to a single one of the armed forces, the provisions among those previously listed will be applied with regard to the branch of the armed forces most directly concerned for each amount of the expenses.

The minister of defense may also adopt measures for the application, in case these should be more favorable, of the contractual and disbursement norms laid down under the law of the 3rd of January 1978, No 1 and subsequent amendments.

The committees required by the laws set out under the first paragraph are composed of a representative of the minister for the coordination of initiatives for scientific and technological research, a representative of the minister of state participations, the secretary general of the minister of defense--the national armaments director--of a general or admiral delegated by him, a state attorney, as well as, eventually, the appropriate general director of the minister of defense who is not already a member of the above committees.

The minister of defense will submit yearly, in an attachment to the defense minister's budget program, a report on the state of implementation of the present law as well as the selection of corporations and enterprises with which contracts are stipulated.

Copies of the minutes of every meeting of the committees required by the law referred to in the first paragraph will be transmitted by the minister of defense for information to the ad hoc committees of Parliament before the individual projects or contracts are executed or stipulated.

## Article 3

The annual disbursement of 180 billion lire, which results from implementation of the present laws for financial years 1983 and 1984, will be covered through a reduction of the special fund under Chapter No 9001 of the budget estimate of the Ministry of the Treasury for those same years.

The Ministry of the Treasury is authorized to provide, by its own decrees, for whatever variations are necessary in the balance. The share of expenditures for each of the financial years after 1984 will be determined annually by the financial laws. The present law, affixed with the state seal, will be deposited within the official publication of the laws and decrees of the

Italian Republic. It is a matter of obligation to whomever to observe it and to ensure that it is observed as a state law." Following the signature of President Pertini, the signatures of Craxi, Spadolini, Romita, Goria, Adreotti, Darida and Granelli. Stamped by the Guardian of the Seal, Martinazzoli.

12425

CSO: 3528/3

## STEEL WORKERS' PROBLEMS IMPACT ON SHIPBUILDING, COAL INDUSTRY

Paris LE NOUVEL ECONOMISTE in French 1 Oct 84 pp 50-51

[Article by Henri Gibier]

[Text] The real poker play of Francois Mitterrand dates back to 4 April 1984. The communist censure, the rise in the government of Laurent Fabius, the blurring of the lines of demarcation between the Left and the Right--all these events of the fall were already heralded at a presidential press conference in the spring.

It was the one that was to bring, with all the desired formality, the presidential blessing on industrial restructuring in three sectors in crisis--steel-making, shipbuilding, and coal-mining. Two major ideas underlay the move: There was to be no more production without a market to absorb the excess; and there could be no modernization without occupational mobility. To squeeze through this industrial slimming diet, the government at that time placed great hope on a new social ointment: Reconversion layoffs which make it possible for excess employees in the ailing sectors to train for 2 years, and at government expense.

Despite these precautions, the orderly retrenchment sought by President Mitterrand has become entangled in a complex trade union mesh in the past 6 months. In steelmaking, where crisis is traditional, the government and the trade unions chose to tackle first the social aspect of the plan. A touchstone, the General Convention of Social Security (CGPS), negotiated from March to July 1984, was signed by all the trade unions except the CGT [General Confederation of Labor]. But the signatures were obtained at high cost: The agreement's provisions are such that, if a steel worker is not reinstated at the same workplace, he cannot be dismissed even if he refuses two job offers following the reconversion layoff. "This negates the principle of occupational mobility," a senior official of the Rue de Grenelle complained. A head of the metallurgical section of the CFDT [French Democratic Confederation of Labor] put it more bluntly: "Even if the plant disappears in the meantime, we act as if the job still existed."



The negotiators have not dared to bring the steel workers back under the overall agreement. Dispensations for workers over age 50 continue. Above all, the amount of guaranteed income remains the same as under the preceding convention: 75 percent of the gross monthly wage plus a bonus equivalent to 20 percent of a year's wages. When the wage-earner reaches the pre-retirement period at age 55 or is subject to a reconversion layoff before he is 45 years old, the rate falls to 70 percent while the bonus is maintained. By way of comparison, the allocation of the National Employment Fund (FNE) paid to the "ordinary" pre-retirement workers aged 55 to 70 levels off at 65 percent of their wages.

Strengthened by this initial government setback, the trade unionists are now striving to rid the "steel plan" of its industrial substance. The ouster of Raymond Levy, former president-general manager of Usinor and the principal defender of this plan, and then the assignment of the post to Claude Dolle, president-general manager of Sacilor, who reached it through an affiliate of both groups, Unimetal, have been perceived as encouraging signs. As if nothing had happened, leaders, engineers, and trade unionists continued to "test various hypotheses" during the summer. They reopened from the trade union side the hope of saving the bulk of the Lorraine steel industry.

#### Clash

But it is in fact a beefed-up steel plan which is in process of being created behind a verbal smokescreen. To the 12,000 and 8,500 layoffs announced in June 1982 and March 1984 respectively, a new round of job eliminations involving 10,134 workers for Unimetal alone will occur between now and 1987. If the philosophy of the March 1984 plan has been corrected in a manner favorable to the trade unions, the conclusions run in a direction opposite to their expectations. Between the two extremes of the dialectic, at the end of October, official date for the implementation of the initial "reduction in forces," a clash becomes inevitable.

In the meantime, the steel workers are the object of envy among their brothers involved in reconversion programs in the shipbuilding industry. Today's industrial background in shipbuilding is catastrophic: Of the 270,000 tons of orders anticipated by the Langagne plan for the two French shipbuilding centers of the Atlantic and the Mediterranean, only 73,000 tons are now under construction. A bulk ore carrier built by Normed (at La Seyne, La Ciotat, or Dunkirk) costs 750 million francs compared to 250 million in Korea and 100 million at a bargain price. There are at present 1,600 vessels in good condition docked in all the world's shipyards. And the social plan is faring no better: On Monday, trade unionists and executives failed to agree on the means to implement the famous reconversion layoffs.

The shipbuilders refuse to commit themselves to rehiring after the 2 years the 4,500 wage-earners involved in the reconversion program, as in the steel industry. The government refuses to lower the age ceiling to 50 years, another

privilege of the steel workers, and does not offer to those in the pre-retirement period of the shipbuilding sector anything but the regular indemnification. "This is unacceptable," the trade unions say in unison, their eyes fixed on the steel industry. "The effect of the steel industry plan places us in an inextricable situation," government experts concede, fearing each day a violent explosion at La Seyne or Dunkirk.

Motivated by the same fears, the general manager of Charbonnages de France [French Coal-Mining Company] has just announced a prudent step backward. For a few days now Michel Hug has refused to embrace entirely on his own the "Projection of the French Coal Industry in 1988," a study which over the summer had mobilized against him all the unions from the CFTC [French Confederation of Christian Workers] to the CGT. On this condition, the CFDT has agreed to reopen the discussion with him to determine notably the manner of maintaining the status of the reconverted miners at the mine. As for the other organizations, they continue to demand very simply Hug's resignation. "Born at the mine, we not only wish to die there but also to see our sons born there," a senior engineer now in the public administration noted ironically. In the meantime, the workers are mobilizing at the mines.

2662

CSO: 3519/68

## MADRID SUBURBAN UNEMPLOYMENT CREATES 'EXPLOSIVE SITUATION'

Madrid EL ALCAZAR in Spanish 6 Nov 84 p 15

[Text] The southern section of the metropolitan area of Madrid, containing such major municipalities as Leganes, Getafe, Alcorcon, Mostoles, Parla and Fuenlabrada, is currently experiencing a serious economic recession. During the 1960's, the industrial parks in this section had enviable economic prosperity, which concurrently prompted a precipitous growth in the population. Only 20 years later, the situation is completely different: Leading business firms have closed their doors and unemployment is possibly the most serious problem suffered by the citizens of these municipalities. At present, the number of persons without work, estimated at approximately 50,000, is similar to the number of residents which this section had in 1960.

The declaration terming the municipalities contained in the southern area of Madrid urgent reindustrialization zones (ZUR) might be the economic incentive that could help to resolve the serious crisis currently being suffered by one of the most prosperous sections of Madrid's industrial belt just a few years ago, when its industrial parks absorbed a large demand for labor. Within a very few years, it became a highly significant industrial area which provided jobs for immigrants from other regions of Spain, such as Extremadura and Andalucia, in particular. This, in turn, brought with it a boom in the construction sector. Municipalities such as Getafe, Leganes or Alcorcon soon became towns with their own specific weight within the province of Madrid, and comprised an authentic industrial belt around the capital.

## 50,000 Unemployed

Nevertheless, the impact of the crisis on the southern section of the metropolitan area has gradually been translated into a deindustrialization process to an alarming extent. The number of jobless persons is now reckoned at nearly 50,000; in other words, as many residents as the section as a whole had during the 1960's. Hence, the unemployment rate stands at 32 percent; which has turned Madrid into one of the Spanish provinces with the greatest loss of employment due to the industrial reconversion of the various sectors.

If no remedy is applied, the prospects for the young population are terrifying. These municipalities as a whole now have a young population that has not yet

reached working age. During the next 10 years, the number of young people reaching that age is estimated at about 150,000. As the situation stands now, the prospects for their finding jobs then are minimal. If more jobs are not created in the section, unemployment will therefore grow explosively.

At the beginning of this year, the leading business firms contained in Getafe offered a devastating spectacle: First, Kelvinator, with a payroll of 2,700 workers, cancelled the contracts of 1,500, and now the work activity is virtually at a standstill. John Deere began with the dismissal of 1,200 workers, and is in the process of another layoff. Uralita abolished a total of 180 jobs during 1982, by means of compensated layoffs. Talbot showed a surplus payroll of 4,809 workers; more than 1,500 left the company. Hispavinsa was founded with the minimal personnel and the dismissal of 1,800 workers was approved for it. The ITT Group had a surplus of 6,450 workers, and in recent years abolished over 6,000 jobs. Standard laid off 914 workers, and Marconi dismissed another 730. To these data it must be added that, during the past 4 years, there have been shutdowns in Getafe of firms such as Reyfra (450 workers), Precision Electromechanics (400), Elextroplax, Agriz-Cubarras, etc. Another leading company, Aeronautical Construction (CASA), has had a temporary layoff from employment of nearly 500 workers, for 6 months.

#### Facilities for the Companies

This serious situation prompted the Government Council of the Autonomous Community of Madrid to request of the central government the declaration of this southern area of Madrid as an urgent reindustrialization zone (ZUR), because it is undergoing an explosive condition wherein unemployment has caused serious problems such as an increase in juvenile delinquency to a dangerous extent and wherein the prospects for the population have now become increasingly gloomy.

The aforementioned declaration as a ZUR will bring a series of benefits whereby an attempt will be made to issue a kind of demand that the companies become relocated in these industrial parks in which over 2,000 industrial firms have closed their doors during the past 3 years, with the resultant loss of jobs.

In this way, the business firms located in the ZUR will have preference in procuring government credit; tax benefits of up to 99 percent of the general tax on business trade, as well as customs duties and compensatory taxes involving internal levies; discounts of up to 99 percent on any fee or tax of the local corporations levied on the establishment of industrial activities, etc.

2909  
CSO: 3548/41

## INDEPENDENT UNIONS RAP SOCIAL PACT AS SELL-OUT

Madrid EL ALCAZAR in Spanish 6 Nov 84 p 15

[Text] The Confederation of Independent Unions [CSI], which contains several leading groups of an occupational nature, has published an assessment of the economic and social agreement, as well as its main conclusions regarding this controversial pact. As EL ALCAZAR has been reporting, there are many union forces that have expressed their rejection and opposition toward it, including FNT, UNT and several independent organizations. We are publishing CSI's analysis herewith:

1. UGT [General Union of Workers] has assumed for itself a status as representative of the workers which, in view of its real affiliation, does not entitle it to make a pact on behalf of all the workers.
2. Using a deliberate terminological ambiguity, there has been a surrender to management and a group of commissions of dubious practical usefulness have been created, wherein there will be meager labor representation, as a final conclusion arriving at an economic agreement which very obviously limits the cash assets of the workers and retirees who, in recent years, have lost over 30 percent of their purchasing power.
3. CSI greatly doubts that the government's forecasts of a growth in the GDP can be fulfilled; on the contrary, it believes that the inflation rates estimated for 1985 and 1986 will be exceeded considerably, regardless of the official statistics that are made available to the public on the consumer price indexes.
4. UGT has once again lent its party political backing, overlooking the workers' real interests and benefiting management.
5. It thinks that the tax pressure, even though, theoretically, the same bases and rates will continue to be used, accompanied by slight wage increases, will mean more payments to social security and in income tax; and therefore, in the end, the worker will find his contributions to the public funds increasing, without any compensation.
6. Insofar as public investment is concerned, we regard it as highly unlikely that the monitoring commission will be able to check the fulfillment of the



AES [Economic and Social Agreement], because the means and facilities for overseeing these investments have not been created.

7. As for the creation of new jobs, in view of the upward trend in unemployment during the past few years, we doubt that these measures will be sufficient to keep the "new promise from PSOE [Spanish Socialist Workers Party] in the government," particularly when the recent precedents in this regard force us to be skeptical.

8. The Solidarity Fund, despite the demagogic title that has been given to it, represents a concealed tax, whereby the worker will pay for the politicians' failures in creating jobs.

9. The reference made to protection against unemployment is such an obvious ambiguity that there will be no chance of control nor of the worker's knowing whether or not the agreement represents any advantage over Law 31/1984.

10. The new methods for hiring and the statement of intent regarding greater flexibility for personnel represent an obvious aiming toward a simple, cheap layoff, and forgetfulness of the principles concerning job security; which means a setback in the socio-labor gains already achieved, with unpredictable consequences.

11. As part of the ambiguity of the entire agreement, the only thing that it contains with great clarity, in its final section, is that the workers will have an ironclad restriction on their wage increases, with a bracket ranging from 5.5 to 7.5 percent, and even more severe in 1986; in other words, the PSOE policy to curb inflation foists all of the burden on wage-earners and retirees.

#### Final Conclusion

This agreement entails further, heavy sacrifices for the wage-earning workers, whose economic situation is already very deteriorated, in exchange for nothing or almost nothing; signed by UGT and PSOE for the sole purpose of giving the latter a political breather until the 1986 elections.

2909

CSO: 3548/41

## INDUSTRY PRAISES EASTERN INCENTIVES, FINDS STEPS INADEQUATE

Istanbul DUNYA in Turkish 25 Oct 84 pp 1,9

[Report by Seda Oguz]

[Text] The investment incentives announced two days ago have been termed by industrialists as "positive" from a standpoint of "inducement," but it has also been charged that the said incentives are not "adequate" to boost investments in the East. It has been stated that investments in Eastern Anatolia will remain impossible to realize as long as the infrastructure needs of the region are not met.

In a statement about the growing number of incentives for channelling investments from developed areas to high-priority development regions, Istanbul Chamber of Industry President Nurullah Gezgin evaluated the incentives from a general national perspective and said: "The goal of the incentives is to encourage investments. This is a positive step in view of the fact that it reduces red tape and boosts the entrepreneurial spirit of the investor. The directive reduces ties with the State Planning Organization to a minimum and leaves much of the responsibility at the hands of the investors and the intermediary banks. While the new system is not far different from previous implementations, rational decisions have been taken which encourage investments." Gezgin added that measures aimed at "encouraging" investments on a countrywide basis should first be introduced.

Meanwhile, Cavit Citak, Deputy Assembly President of the Istanbul Chamber of Industry and Executive Board Member of Ercan Holding Corporation, said that the government has taken a very appropriate stance by introducing investment incentives for Eastern Anatolia and that, however, the measures that have been announced are not adequate. Citak stated that the investor knows that Eastern Anatolia lacks the physical and social infrastructure needed for investments and that, as a result, no investments can be realized in that region as long as steps are not taken to eliminate or to remedy this deficiency. Citak continued: "While tax inducements for investments are important elements with respect to the feasibility of an investment, they do not perform a driving function during the realization of the investment. Such incentives play a major role in the appraisal of the general assets of large corporations, but they only serve to raise the morale of the individual investors. The remaining incentives, on the other hand, are inadequate to remedy the infrastructure deficiency of Eastern Anatolia."

Proposing a "selective model" alternative in this connection, Citak said: "We believe that the government must take a 'selective investment' approach and that measures compatible with the nature of the investments selected must be boldly implemented." Citak also disclosed that, in addition to the diesel engine factory to be opened in Ankara in November, a truck factory will go into production in Ankara in 1985 and that no other investments are planned for 1985.

Uzeyir Garih, Executive Board Member of Alarko Holding Corporation, said that his company had previously known about the new incentive measures and, as a result, embarked upon a joint venture to open a copper mine and a licorice root factory in Siirt together with a German firm. Stating that while the newly announced incentives can help to boost investments in the East, genuine investment growth will depend on the building up of the region's infrastructure.

Stating that the incentives that have been announced are only the official version of previously disclosed measures, Garih said: "The incentives that have been introduced are inadequate in view of the infrastructure deficiency in the East. The incentives announced for provinces outside Eastern Anatolia are also inadequate for investments for similar reasons."

9588  
CSO: 3554/33

## SYMPOSIUM DEVOTED TO INCREASING TURKISH EXPORTS

Istanbul CUMHURIYET in Turkish 25 Oct 84 p 9

[Text] Speaking at the opening of the 1st International Marketing and Export Symposium organized by the Istanbul Chamber of Commerce and the Marmara University, Minister of State Ahmet Kurtcebe Alptemocin said: "Despite the complaints of some exporters, the government is continuing to support our exporters with all its strength."

Noting that tax rebates and low currency exchange rates are not the only means to encourage exports, Alptemocin stated that genuine and lasting support for exports means to liberalize exports and imports and to create conditions whereby Turkish goods can compete in world markets. He added: "There is a sound dialog between the government and businessmen and exporters."

It was disclosed that the 1st International Marketing and Export Symposium--which will last two days and which was inaugurated at the Istanbul Chamber of Commerce by Minister of State Alptemocin because Prime Minister Turgut Ozal could not attend--was organized with the aim of boosting Turkey's exports and exploring ways of entering distant markets.

Istanbul Chamber of Commerce President Nuh Kusculu reviewed the growth of Turkish exports in the last 4 years and said that this year's exports will surpass the planned target of \$6.9 billion and will probably reach \$7.3 billion. Noting that the progress of the last 4 years notwithstanding, a country like Turkey with a population of 50 million, rich agricultural resources and a certain level industrialization should attain far higher export levels, Kusculu said: "We organized this symposium to seek ways of increasing our exports further. The time has come to learn about how to enter markets like the United States and the Far East. We invited experts from the United States, Japan and South Korea to educate ourselves in this area."

Presenting the first report of the symposium, Professor Tunc Erem, Chairman of the Department of Production Management and Marketing at the Marmara University, said that marketing is sometimes confused with salesmanship in Turkey. He said: "What constitutes marketing is not the existence of corporations that perform the function of marketing, but the existence of the function itself." Erem added that the basic purpose of marketing is to produce the goods and services that can be marketed and not to sell the goods that have been produced.

Also speaking at the symposium, Mitsubishi executive Hidetoshi Kamezaki explained the role of giant trading firms in the development of Japanese trade. Kamezaki said: "In view of Japan's scarce resources and its undeveloped domestic market, foreign trade was crucial for the industrialization of Japan." He added that these trading firms trade in everything from "vermicelli to rockets."

Professor Gordon E. Miracle, who teaches advertising at the University of Michigan, spoke about planning and promoting overseas marketing. He said: "Planning methods employed by small and medium-size firms are not as costly as those used by large corporations. This is because small and medium-size firms find niches in the market that the large corporations cannot fill."

Speaking about "education in export marketing," Professor Ernest Kulhavy, Director of the Marketing Institute at Austria's J. Kepler University, said that the growing share of industrial products in Turkish exports and the increasing importance of OECD countries in Turkey's foreign trade are forcing Turkish exporters to make themselves accepted in developed markets and that attention must be paid to education in export marketing.

9588

CSO: 3554/33



## ISMAIL TURK ON MONEY MARKET DEVELOPMENT PROSPECTS

Istanbul CUMHURİYET in Turkish 21 Oct 84 p 9

[Text] Ismail Turk was born in 1928 and graduated from the School of Political Science in 1952. Turk, who became a graduate assistant at the same school received his Doctorate in Economics in 1957. In 1960, Turk became an Associate Professor of Economics at the School of Political Science and later became a full professor at this school. Turk served as economic advisor to the State Planning Organization from 1963 to 1966. From 1961 to 1979 Turk served on the Steering Council as well as the Oversight Council of the Army Mutual Aid Association while concurrently serving as Steering Council President of various affiliates of this association. From 1971 to 1973 Turk served as a member of the Steering Council of the Turkish Bank of Endowments. In 1982 Ismail Turk was brought to the chairmanship of the Capital Market Council.

- Mr. Turk, while a great deal is being said about the emergence and development of a capital market in our country, our capital market gives the appearance of a plane that moves on the ground yet cannot takeoff. In your opinion, what are the principal obstacles on the path of capital market development ?

Turk - First, one should be aware of the fact that in a developing economy the capital market serves the long term and intermediate term finance requirements of the industrial sector. Recognizing that development means industrialization and that development is something that requires a certain amount of time, we cannot expect the capital market to develop overnight. As our economy becomes more industrialized, the capital market will continue to develop. Actually, as the result of well known events our nation lost its developmental impetus following 1977 and has even faced a period of declining national income during the years 1979 and 1980. It is only after 1981 that our economy has once again started to grow and this growth has been much lower than the growth experienced in years prior to 1977. Meanwhile our industrial sector has gone through a period of stagnation and we have experienced

the highest level of inflation in the history of the Republic. In addition, the adoption of the Capital Market Law has coincided with the most turbulent period within the capital market and several investment firms have collapsed one after another. Inflation remained unchecked and the flight from capital has continued. You can't expect the citizenry to show interest toward values that are expressed on paper while these conditions continue. I think that I have just answered your question about "why the bird can't fly."

- Sir, in countries with developed capital markets securities generally constitute the main vehicle of the capital market. In our country on the other hand, the capital market has been able to attract only a very limited segment of the population. What in your opinion could be or should be done to increase demand for securities and to make securities a significant component of the capital market ?

Turk - In view of the various disadvantages of borrowing money through the issuance of securities over the past few years, companies have preferred to go to their shareholders and to obtain capital guarantees. For that reason the proportion of stocks has increased within the total amount of securities issued. While 10 billion liras worth of bonds were issued in 1982, 1983 saw the issuance of 35 billion liras in stocks and 17 billion liras in bonds. For 1984 we have had the issuance of 35 billion liras in stock and 6 billion liras in bonds by the end of July.

- Although such a trend is noticeable from a standpoint of stock issuance and is probably fueled by revaluation, my question concerns the possibility of having a wide spectrum of investors becoming attracted to stocks.

Turk - Certain measures may indeed be taken to steer the public towards the purchase of stocks if stocks are to become the focal point of the capital market in the future. Nevertheless, truly relevant measures would include bringing inflation under control, creating confidence in the currency and bringing an end to the flight from capital. I must once again state that it is imperative for the economy to resume a high rate of growth. Turkey is a nation that has achieved a growth rate of approximately 7 percent for many years. This year's projected growth rate of 5.7 percent remains below Turkey's customary growth rate. As long as the average citizen's income and savings do not increase in step with a rapid expansion of the economy, the development of the securities market and the stock market will not be an easy task. Incentive measures to attract the investor towards the capital market can

be meaningful only after these fundamental requirements have been achieved.

- What are some of the interim measures that can be taken to specifically encourage investment in the stock market and to provide incentives for such investments ?

Turk - There are certain classic measures. First of all, companies must be encouraged to open themselves to the public. Companies that have turned towards the public, that have issued securities, must be given tax advantages over family owned companies. For instance, investor owned companies could be subject to a corporate tax of 25-30 percent as a means of encouraging their growth. Providing tax exemptions for interest obtained from stocks could also provide the potential investor with an incentive to purchase stocks. Newly established or future companies that are investor owned could be provided with tax exemptions for a specific time period. In terms of tax incentives an institutionalized exemption defined as the securities investment exemption could be created for the purpose of channeling household savings into the capital market. It could be stipulated that investments up to 600,000 or one million liras would benefit from this exemption. Payroll deductions could be used in determining the exemption that a wage earner would receive within such a system. In addition, investments into undesirable fields should be penalized. For our part, we have forwarded our views and proposals concerning all of these matters to the Ministry of Finance and Customs during the beginning of June. I believe that the Finance Ministry is working on these proposals. These are matters that require legislation. We hope that it will be possible to enact such legislation by the beginning of the next fiscal year. In addition to all of this, it is very important that the required change in attitude also take place.

- What kind of a change in attitude ?

Turk - At long last, our companies must understand the importance and necessity of turning towards the public. In our days, no company can single-handedly mobilize necessary funds or attain optimal economic dimensions. It is necessary that this concept of economic productivity and optimal size be grasped by industrial enterprises and translated into action. The concept of "let it be small but let it be mine" must be replaced by a concept that embraces greater dimensions, ownership by many citizens and economically healthy enterprises. Conformity with this manner of thought is a definite must for companies that expect to compete in international markets.

- Sir, I believe that one of the prerequisites for the development of the capital market and in particular the stock market is the establishment and operation of a viable securities exchange. It is currently believed that the recently released market guidelines are not of a nature to fill the void that is being felt and that the legislation in question is stillborn. What would you say in connection with this matter ?

Turk - It is well known that the stock exchange is a second hand market. Before discussing this matter, I would like to state that the Capital Market Council has brought the issuance of securities under control through efforts in the past. Our organization examines the balance sheets as well as profit and loss statements of companies that issue stocks and bonds. The prospective dividends that these companies will be able to pay in the years to come are assessed by our organization. We are also interested in whether or not a company will be able to repay its bond loans in the years to come. This information is compiled for the purpose of enlightening the saver and is made available to the public. Moreover, the intermediate institutions that will market securities as well as the five banks that have established securities directorates will operate under the oversight of the Capital Market Council.

- What about the stock exchange ?

Turk - As I indicated a little while ago, the stock exchange is a second hand market. It is a market for individuals or institutions who wish to clear their portfolios or develop new portfolios. The stock exchange will serve as an institution for the sale or purchase of registered securities under the supervision of stock exchange officials. At this time the establishment of stock exchanges is being regulated through a directive approved by the Council of Ministers. It is in conformity with this directive that each stock exchange will prepare its own guidelines and determine how it will conduct transactions. These guidelines will go into effect after ratification by the Capital Market Council. In fact, the directive of 6 October 1984 should be considered a framework. From now on each stock exchange will determine its own establishment, operational guidelines, internal organization, election of steering council, election of officers, oversight and disciplinary measures.

- What kind of time frame can we anticipate for each stock exchange to prepare its own guidelines and to begin operations? Are we talking about a deadline?

Turk - Acting as the Capital Market Council we have applied for the establishment of the Istanbul Securities Exchange and have defined who could join this exchange on the basis of this directive. Accordingly, development banks, banks, investment firms holding an investment banking certificate and stock brokers will be able to join the exchange. We will bring together a general council of founding members for the Istanbul Stock Exchange and a steering council for the exchange will emerge from this meeting. In any case, the chairman will be nominated by the Capital Market Council and appointed through a three party directive by the Council of Ministers. The steering council will then produce its own guidelines. We will ratify these guidelines and provide any technical assistance required by their preparation. I believe that all of these things will have been completed by the end of this year in the case of the Istanbul Stock Exchange. Of course, the matter of a building is a different problem.

- Would it be possible to provide an international character to the Istanbul Securities Market ?

Turk - This would depend upon obtaining authorization from the proper ministry. However, the prerequisite of internationalization in this field would be the establishment of a national market. We have to be successful in doing this. The operationalization of the securities exchange will constitute a significant step in the regulation of the capital market by the Capital Market Council.

9491

CSO: 3554/20



## REASONS, IMPACT OF INCREASED STEEL PRICES

Istanbul CUMHURIYET in Turkish 23 Oct 84 p 6

[Text] NEWS CENTER - First the Eregli Iron-Steel Plants and then the Turkish Iron-Steel Works Corporation [TSWC] raised their prices between 9,000 liras and 20,000 liras a ton on steel and pig iron products produced at their plants. This makes the sixth TSWC price hike this year. Building contractors, accustomed to the serial price hikes and thus unsurprised by this one, said, "This price hike puts steel prices on the home market higher than the world price."

According to reports by CUMHURIYET's Karabuk correspondent, the board of directors at TSWC decided on the price hike at a meeting in Ankara and offered "cost increases" as the rationale for it. The price hikes requested by the Karabuk and Iskenderun plants on their structural steel, angles, steel plate and other products were reportedly approved by the relevant Ministry of State and higher prices went into effect yesterday. Officials said that orders for steel and pig iron placed prior to the hike would be filled upon payment of the difference in price.

Meanwhile, no change was made in the additional "warehouse price difference" charged for each ton sold by TSWC. The company reportedly also made no change in the 1,000 lira-a-ton warehouse price difference charged on pig iron sold from its Istanbul warehouses.

Building contractors interviewed by the CUMHURIYET Aegean Bureau said that a steel price hike every month and a half had now become a habit. "This last hike puts steel prices on the home market over world prices," they said. Izmir Chamber of Commerce Professional Group member Cumhur Kendir said a kilogram of steel sells for 1 deutschemark on the world market, meaning that steel selling for 134 liras on world markets was 160 liras in Turkey. Kendir scored, aside from steady price hikes, the unavailability of rolled ingot, adding:

"Steel exports to Iran and Iraq are below world market prices. They would not be buying steel from us otherwise. But when it comes to the home market, prices are suddenly higher than world prices. But regardless of this, we cannot get steel anyway. I paid my deposit at Karabuk 5 months ago and still have not got my steel. All the price hikes on steel during this time carry over to us even though we have deposited our money. And the time differential, which has risen to 25 percent in 5 months, is added to this as well. This is why costs are going up so much."

Explaining that the increases have a significant impact on housing costs, Kendir said that costs would go up more than 60 percent by the end of the year. He blamed the price hikes on "the inability of public-sector factories to operate efficiently" and pointed to cement price hikes as an example. He said:

"While the private sector is quite happy with cement prices at present, the public sector is going in the red because it cannot operate efficiently. And the price hikes made for this reason are increasing the already satisfactory profits of the private sector. I do not think the situation is much different in steel."

Also, Nevzat Guragac, president of the Izmir branch of the Turkish Official Sector Contract Employers Union, said, "It still takes us 3 months to get a kilogram of steel slab from Karabuk even if we are official sector contractors." Pointing out that the ones who benefited from Karabuk's failure to produce steel slab were constantly raising the price on this product, Guragac continued: "Izmir Metallurgy Factory benefits from the market shortage of steel slab and raises the price of it even though there is no change in steel plate prices. That is because there is no steel slab on the Turkish market. It is a big mistake to keep hiking iron-steel prices. The difference between the prices does not come out of our pockets as contractors, but out of the citizens' pockets. The truth is, I cannot see how this fights inflation. They are trying to bring inflation down, but inflation is probably driving them up."

The new and old prices, excluding warehouse prices, on TSWC steel and pig iron products are:

Type	Former Price/Ton Turkish liras	New Price/Ton Turkish liras
Round 6 mm firmasin [meaning unknown]	132,000	148,000
Round 6 mm wire	138,000	155,000
8 mm electrode	146,000	164,000
8 mm wire	134,000	150,000
8-10 mm coil	125,000	140,000
12-14 mm bar	123,000	138,000
16-22 mm bar	122,000	150,000
24-32 mm bar	123,000	138,000
Structurals:		
Spindle 80-120	137,000	153,000
140-380	138,000	154,000
C-channel 65-120	137,000	153,000
140-300	138,000	154,000
G-1 110-140 and omega	166,000	186,000
Angles: All angles which ranged between 126,000 and 131,000 liras are now between 141,000 and 147,000 liras.		
Ingot:		
75x75 - 300x300	104,000	114,000
75x75 wire, bolt	110,000	120,000
75x75 spring, electrode	120,000	130,000
Hematite-1 pig iron	81,000	91,000
Hematite-2 pig iron and cast steel	73,000	82,000
Custom pig iron	83,000	97,000

## DOGAN SEES MIDDLE CLASS BEARING 'EXPORT MIRACLE' COST

Istanbul CUMHURIYET in Turkish 23 Oct 84 p 9

[Article by Yalcin Dogan in the column "Comment": "Soon They'll Be Saying 'Less'"]

[Text] It's a miracle, an incredible explosion, an unexpected boom, a wonder to behold. It has tripled in 3 years. It's all anyone thinks about. More, more, more.

If you mention "economy," the government immediately goes off on a tangent about exports and begins pouring forth data, back-to-back figures that topple over one another on the growth in exports. Certainly, export growth is good for a country. Certainly, it provides important foreign resources to the economy. Certainly, it builds new resources for development. It is the harbinger of new investments. And, certainly no one would deny these things. However, there is another side of the coin: Who is financing the exports? Whose hide do the exports come out of? Who bears the cost of the exports?

The "Annual Economic Report" that went to the Assembly along with the 1985 Budget Bill looks into this and comes up with some interesting data. GNP, that is, the total value of goods and services produced in the economy, for 1984 was 17.5 trillion liras. Of this, 7.6 trillion liras derived from agriculture and two branches of industry. The manufacturing industry, mining and agriculture had an income between them of 7.6 trillion liras at 1984 prices. Their exports were \$7 billion. If one figures that out in Turkish liras, it is approximately 2.5 trillion liras. In other words, 2.5 trillion liras of the 7.6 trillion-lira value derived from manufacturing, mining and agriculture, or one-third, was exported. This is one side of the story. Now, let us keep these figures in mind while we turn to another page of the "Annual Economic Report."

The "Wages and Prices" section of the report contains another outstanding point that is impossible to miss despite all the efforts to play it down. Wage increases between May 1983 and May 1984 stayed around 11 percent (pp 132-133). Price increases in the same period went on record as 28 percent (p 106). In view of such a low figure, the important thing is to compare wages and prices. Prices rose 28 percent while wages rose 11 percent. That is, the purchasing power of wages dropped. That is, wage earners are eating less, drinking less and have fewer clothes to wear. What they are not wearing, eating and drinking comprises the "exports."

Prices rise 28 percent and wages rise 11 percent, but, in the meantime, agricultural products (apples, sugar, wheat, oranges, spinach and beans) and manufacturing and mining products (shoes, leather garments, textiles, copper and chrome) are being exported. One-third of the domestic product is being exported. And so this comparison prompts a basic question, its answer inherent:

Do we have Chiquita bananas? Yes, we do. Do we have Nescafe? Yes, we do. Do we have Holland cheese? Yes, we do. Do we have fancy cars, furs, fine durable consumer items? Yes, we do. Do we have American cigarettes? Yes, we do. Who buys them? Not the "middle class," at any rate, with their wages lagging behind prices. For one group with a particular income, there is everything in Turkey. For another particular group, there are exports of the products they cannot eat or wear. One group is doing without for the sake of exports. One group is smoking American cigarettes and eating Holland cheese on the foreign exchange derived from the hard work of these have-nots.

Why is the middle class doing without? The answer is obvious. The total value of agriculture, manufacturing and mining is 7.6 trillion liras. One-third of this is being exported. But, domestic prices -- based on a particular period -- are rising 28 percent at the same time. That is, if those products had gone on the domestic market instead of the foreign market, prices would not be this high because domestic goods would be more plentiful. The more plentiful goods were, the less prices would have gone up and, as a result, people whose wages rose 11 percent would have been able to buy these goods on the domestic market. They would have been able to eat better and dress more warmly.

Now how much can Mr Ozal extol his "middle class"? While the figures, figures, moreover, presented to the Assembly in a document as official as the budget, portray the points summarized here, how can Ozal get up and say, "The middle class is important and we are for the middle class, we are for social justice"?

The newly created, booming "export miracle" depends on depriving the middle class of food, clothing and, in short, its well-being. The middle class is bearing the burden of the "miracle."

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## SEE'S REALIZE HIGHER PROFIT THROUGH INCREASED PRICES

Istanbul CUMHURİYET in Turkish 23 Oct 84 pp 1,8

[Text] While authorities keep repeating one can no longer speak of cost inflation, price hikes are being made by public enterprises the products of which find their way into the cost structure of many industrial goods. An official of a private company, pointing out that these hikes inflate their costs on a continual basis and force them into making unwanted price hikes themselves, is heard saying:

"As long as the managers of public enterprises keep getting up early enough to make price hikes it is not possible for us - as companies with direct contact with the people - to hold our prices at certain levels."

That these complaints are not entirely groundless is indicated by the sixth price hike this year by the Eregli Iron-Steel Plant coming in the wake of the seventh price hike in oil, when we consider that the prices of Eregli products (which constitute the input of many industrial goods) have gone up by 30-50 percent since the beginning of the year. It has been observed that the latest series of price hikes in petroleum products, iron-steel products, and petrochemicals (which have impact on many industrial goods), have lead to real cost increases thereby fuelling cost inflation as well as causing artificial price hikes by keeping the "anticipation of inflation" alive. While construction industry has been adversely affected by these hikes, the unit costs in this sector keep climbing up without respite.

The 1982 and 1983 figures for sales and profits of the State Economic Enterprises (SEE's) such as Turkish Petroleum Co., Eregli Iron-Steel, and Petkim (all of which produce inputs for many industries) show them as having increased their gross revenues and profits through the price hikes. The figures included in the Istanbul Chamber of Industry ranking of the top 500 firms show that the profits of Turkish Petroleum Co. increased 60 percent from TL 42 billion (1982) to TL 67 billion (1983); Eregli Iron-Steel profits jumped by 61 percent from TL 3.7 billion (1982) to TL 6 billion (1983); and Petkim profits rose 67 percent from TL 2 billion (1982) to TL 3.3 billion (1983).



While the government wants to see the SEE's operate as "profitable enterprises", resorting to price hikes if need be, others maintain that achieving profitability by means of price hikes is a "deceptive indicator of success." While international organisations which closely monitor the Turkish economy stress that the "government has not been able to do much about the SEE's, and that it should do so", the managers of private sector firms which use SEE products as inputs are critical of their colleagues at the SEE's:

"Becoming profitable by means of constant price hikes is not such a big deal. While we are pursuing innovations day and night to increase productivity so that we can cut our costs, it demoralizes us to see that the SEE's hike their prices every other day."

The constant price hikes of the SEE's are largely attributable to the rise in their costs parallel to the increase in the value of the dollar. That these organisations carry a larger personnel load compared to private firms also plays a role in this. For instance, 74 public enterprises which are ranked in the Top 500 list provide employment for 362,000 people, whereas the total number of jobs provided by 426 private firms remain at 264,000.

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## OVERVIEW OF NEW 'EQUALIZING' SEVERANCE PAY LAW

Istanbul CUMHURIYET in Turkish 23 Oct 84 pp 1,8

[Text] Under the new draft bill concerning the Severance Pay Fund, workers and public employees are to be treated similarly with regard to pension payments. The draft bill has been revised in the aftermath of the Labor Council meeting. Workers and public employees with over 15 years of service remain outside the scope of the new legislation, maintaining their existing rights. The existing regulations concerning severance pay, however, will no longer apply to those who have not yet completed 15 years of service, and to the new workers and public employees.

Severance pay for workers and public employees will be calculated by multiplying the accumulated premiums with a factor to be determined every year by the Council of Ministers according to a certain formula. Thus all supplementary severance entitlements created by special legislation, and entitlements arising out of collective agreements based on the number of days worked, will no longer be valid. Apart from cases of severance due to death, old age, retirement, or being handicapped, an amount would be payable during the first six months of unemployment not exceeding 40 percent of the total premiums paid taking due account of the going minimum wage. This will be an advance payment repayable later. However, if the repayment does not take place after having returned to work, previously paid premiums will be dropped from the severance pay.

After the first draft (prepared by the Ministry of Labor and Social Security) was discussed at the Labor Council meeting the final draft was prepared, to be presented to the Ministries for review. Very few revision proposals came from the Ministries within the specified period of time. Those who have not expressed any views are presumed to go along with the draft bill. It is said that, because of its importance, the Labor Ministry will stall the bill for a while, but no major changes are expected by the look of things.

Meanwhile, Turk-Is stated that major revisions have been made in the bill along the lines they have advocated at the Labor Council meeting. General Secretary Sadik Side announced that they have submitted proposals with regard to the final draft, expecting revisions to be made along those lines.

As far as the premiums are concerned, employers will pay them in two installments in February and July. The amount of their premiums will be calculated as equivalent to a month's pension payment. Employers who fail to inform the fund of their workers will pay the premiums plus interest and penalty determined by the fund, taking due account of the minimum wage.

The draft bill envisions that when an employment contract expires (for whatever reason) the employee will be eligible for severance pay provided that a minimum of one year service has been completed. Lump payments will be made only when the job is terminated due to death, old age, retirement, or being handicapped. With regard to terminations of every other sort, the unemployed persons will be eligible to receive advance payments (against their severance pay) for the first six months of unemployment. The amount to be paid will not exceed 40 percent of the total premium already paid, and the ongoing minimum wage will be taken into account. Those who have received advance payments, and those who have discontinued their subscription to the fund for 10 years will be paid the remainder of their severance pay, while those who have not received such payments will be paid theirs in full. If a person who has received the advance pays it back to the fund within six months of returning to work, his previous service will be reconnected to his severance pay.

According to the draft bill, the amount of the severance pay will be decided by "multiple factoring determined by the Supreme Planning Council subject to ratification by the Council of Ministers (which might introduce changes or leave it intact). The Council will re-assess each year's cost-of-living index (for wage earner's), the rate of increase in the national income, the growth of the fund and its possible use in investments when determining the multiple factor. Once determined this will be multiplied by the total amount of premiums accumulated in the fund under the employee's name."

If a person who is entitled to severance pay fails to apply to the fund within ten years, his entitlement will default. In cases where a person starts to work after having received severance pay, the connection with the fund will be automatically restored.

Furthermore, those who fall outside the scope of regular work legislation, those not subject to the State Pension Fund, and those working abroad may, if they please, apply to join the fund provided they make a written promise to pay the premiums under similar rules.

The provisional clause of the draft bill envisions that workers and public employees who have served for less than 15 years will have their premiums re-assessed in the light of their previous premiums. Any premium debt thus incurred will be payable in five years with equal installments, starting nine months after the bill comes into force. Those who have served for more than 15 years (under the terms of their severance pay arrangement) remain outside the scope of this bill, preserving their existing entitlements. The new bill, on the other hand, encompasses those who are yet to serve for 15 years, and the new entrants into employment. These latter, then, have no entitlement to the existing regulations concerning severance pay.

## GUARDED OPTIMISM ON INFLATION VERSUS FOREIGN DEBT

Istanbul DUNYA in Turkish 23 Oct 84 p 1

[Text] Inflation will not go below 40 percent throughout the year. It is, however, certain that the annual average inflation rate will surpass 45 percent. And the 'pent-up inflation' that will be transferred to next year will be around 15-20 percent.

The expected transference of pent-up inflation to next year has already rendered the 25 percent inflation envisioned for 1985 less plausible. It is apparent that even the government does not put much faith in the 25 percent target.

The net increase in wages and salaries is expected to reach 30 percent despite the two-stage rise, and the tax deductions. Moreover, the funds earmarked for investment are expected to exceed the initial estimates even while their share in the budget goes down. Indications are that the present lid on domestic demand will be somewhat lifted, albeit very cautiously, which shows that the government is prepared to face the prospect of a slight rise in inflation.

Furthermore, Prime Minister Ozal who is known to exert direct control over government policies does not seem to be overly interested in 'annual' inflation figures. He seems more interested in shorter time-spans such as three-month periods as far as inflation rates are concerned. Thus it is more important for him to see to it that "price increases are kept at a lower rate in each quarter than the one that immediately precedes it." There is one notable disadvantage in this approach which is this: Whenever effective control over prices in the current quarter is lost, one's attention is turned to saving the following quarter - having given up on the present one. And that usually means going for larger price hikes than actually warranted by circumstances, which, in turn, further increases the price level.

It seems as if this was how the first nine months of 1984 passed. The present quarter might well indicate whether this race against time will be discontinued or not.

The one other issue which receives as much attention as inflation among the current economic policies is balance of payments. It was estimated that, in 1984, the current account deficit - which is the most critical indicator of the balance of payments situation - would be brought down to \$1.1 billion.

The present data, however, indicates that in the wake of inflation the actual figures will fall far short of this target. Even the most optimistic estimates for the year indicate that the current account (which indicates the economy's need for foreign resources) will register a deficit remaining at the \$2 billion level.

However, one should not be too pessimistic on this score. It is thought that at least half the current account deficit of \$2 billion could be financed through resources generated by Turkey itself. A potential of \$600-650 million lies at authorized Turkish banks in the form of convertible accounts most of which are deposited by Turkish citizens. The overseas workers' deposits at the Central Bank via Dresdner Bank constitute a similar amount (deducting the interest charges).

It may be debated as to how such transactions taking place between Turkish authorities and citizens should be treated for accounting purposes. However, the very existence of these foreign currency holdings does not give cause for too much pessimism either.

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## GOVERNMENT DECISIONS ON AIRBUS, THY, BOSPHORUS BRIDGE

Istanbul DUNYA in Turkish 23 Oct 84 p 1

[Text] The Turkish Airlines (THY) fleet renovation project has reached realization stage by the choice of the European Economic Community. The Supreme Coordination Council for Economic Affairs (henceforth the Council) has decided that seven Airbus passenger planes will be purchased for THY.

In a meeting last night which lasted until late hours, the Council also decided that the shares of Istanbul Bosphorus Bridge are to be offered for public sale. The shares will be offered on 1 Dec 84.

According to the Council decision, the THY fleet will be modernized by the purchase of seven Airbus planes. The Minister of State and government spokesman Mesut Yilmaz announced (while the meeting was still in progress) that four Airbus planes in 1985, and three in 1986 will join the THY fleet.

THY's fleet modernization project has been the focus of intense competition between the U.S. firm Boeing, and the French-British-German-Spanish joint production Airbus, supported by the EEC. U.S. had entrusted the former Secretary of State Haig with the job of persuading the Turkish officials in his capacity as Boeing representative with a view to securing the project. Similarly the EEC has been expending continuous effort, at official and unofficial levels, for the sale of Airbus planes.

The Airbus plane is manufactured by a consortium in which France, Britain, Federal Germany, and Spain are participants. The planes which will cost Turkey \$170 million can be used as cargo plane as well as for passenger transportation. Currently Airbus planes are used extensively in the civil aviation fleets of all the EEC countries.

## Bosphorus Bridge

Meanwhile, the Council has established the following principles in the sale of Bosphorus Bridge shares: Two types of shares will be offered for sale. TL 5 billion worth of 'A' type shares will be offered in return for an 18 percent share in the annual revenue. These shares will carry a three-year term. The 'B' type shares, on the other hand, will be issued in return for a 16 percent

share in the annual revenues. The shares will be issued in denominations of TL 50 thousand, TL 100 thousand, TL 500 thousand, and TL 1 million.

THY Opened to Public

Offering THY shares to the public was among the decisions taken by the Council last night.

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## BRIEFS

PARTY'S ENERGY PLAN--An energy plan for Greenland will be debated in the fall session of parliament. The Siumut [socialist, radical home-rule party] congress resolved to invest in the development of wind and water power. Coal was put in third place and oil production came after that. But uranium will be left where it is. There was agreement at the congress on the establishment of a Danish-Greenland energy company, the down payment for which would come from the income from the planned sale of stocks in the Cryolite Company.

[Text] [Godthaab GRONLANDSPOSTEN in Danish 24 Oct 84 p 16] 6578

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